

Oracle Banking Trade Finance

Class User Guide



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Glossary

1

Preface

1.1 Introduction

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

You can further obtain information specific to a particular field by placing the cursor on the relevant field and striking <F1> on the keyboard.

1.2 Audience

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

Role	Function
Back office clerk	Input functions for contracts
Back office managers/officers	Authorization functions
Product Managers	Product definition and authorization
End of day operators	Processing during end of day/ beginning of day
Financial Controller / Product Managers	Generation of reports

1.3 Organization

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

Topics	Description
Preface	This topics explains a brief introduction to the module. It also lists the various topics in the User Manual.
Creating Classes	This topics details the procedure to set up different classes in Oracle Banking Trade Finance.
Function ID Glossary	Function ID Glossary has alphabetical listing of Function/Screen ID's used in the module with page references for quick navigation.

1.4 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>.

- [Access to Oracle Support](#)

1.4.1 Access to Oracle Support





Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

1.5 Diversity and Inclusion

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

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

1.7 Related Documents

For further information on procedures discussed in the manual, refer to the Oracle Banking Trade Finance manuals on:

- Products

1.8 Screenshot Disclaimer

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

2

Creating Classes

2.1 Introduction

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

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

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

The mandatory classes that you need to maintain are:

- Interest Class
- Fee Class
- Charge Class
- Old Charges Class
- Tax Class

The optional classes that you can maintain are:

- Customer Restriction Class
- Discount Accrual Class
- Events Class
- Role to Head Mapping Class

This chapter contains the following sections:

- [Interest Class](#)
- [Charge Class](#)
- [Discount Accrual Class](#)
- [Events Class Maintenance](#)
- [Role to Head Mapping Class](#)

2.2 Interest Class

This section contains the following topics:

- [Define Interest Class](#)

- [Define Interest Class](#)
This topic provides the systematic instructions to define interest class.

2.2.1 Define Interest Class

This topic provides the systematic instructions to define interest class.

You need to define the attributes of an interest class, in the '**Trade Finance Interest Class Definition**' screen, loaded from the Application Browser.

Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type '**CFDTFINC**' in the text box, and click the next arrow.

The **Trade Finance Interest Class Definition** screen is displayed:

The screenshot shows the 'Trade Finance Interest Class Definition' screen with the following sections and fields:

- Class Code ***: Text input field.
- Rule**: Text input field with a search icon.
- Module ***: Text input field with a search icon.
- Event**: Text input field with a search icon.
- Class Description**: Text input field.
- Rule Description**: Text input field.
- Event Description**: Text input field.
- Basis**:
 - Amount Type**: Text input field with a search icon.
 - Settlement Currency**: Text input field with a search icon.
 - Category**: Text input field.
 - Accruals**: Toggle switch.
 - Bulk Amount**: Toggle switch.
 - Allow Amendment**: Toggle switch.
 - Stop Application**: Toggle switch.
- Grace Period**: Text input field.
- Pre Payment Method**: Text input field.
- Main Component**: Toggle switch.
- Link Contract as Rate Code**: Toggle switch.
- Propagation Required**: Toggle switch.
- Consider as Discount**: Toggle switch.
- Negative Interest Allowed**: Toggle switch.
- Negative Class Code**: Text input field.
- Interest**:
 - Rate Type**: Text input field.
 - Rate Code**: Text input field with a search icon.
 - Code Usage**: Text input field.
 - Reset Tenor**: Text input field.
- Borrow Lend Indicator**: Text input field.
- Rate Calculation Type**: Text input field.
- Margin Application**: Text input field (value: None).
- Margin Basis**: Text input field.
- Alternative Risk-Free Rate**: Toggle switch.
- Alternative Risk-Free Rate Preferences**: Section header.
- Pricing Details**:
 - External Pricing**: Toggle switch.
- Limits**:
 - Table with columns: Currency, Default Rate, Minimum Rate, Maximum Rate, Default Spread, Minimum Spread, Maximum Spread, Interest Basis, Denominator Ba.
 - Message: No data to display.
 - Page: 1 (0 of 0 Items)

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

For information on fields, refer to [Table 2-1](#):

Table 2-1 Trade Finance Interest Class Definition - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Class Description	Specify a brief description for the class.
Rule	Specify the rule that should be linked to the class. The adjoining option list displays all valid rules maintained in the system. You can choose the appropriate one.
Rule Description	The system displays the description based on the rule chosen.
Event	Specify the event at which collection of the interest should be triggered, The adjoining option list displays all events available in the system for the module specified. You can choose the appropriate one.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Basis You can indicate the following details:	
Amount Type	If the interest rate type is Fixed or Floating, specify the basis amount on which the interest rate has to be applied. For example, for the FT module, it could be the Transfer amount, for the LC module, it could be the LC Contract Amount and so on.
Settlement Currency	The Settlement Currency is the currency in which the interest amount will be calculated. The interest amount applicable for a contract will be calculated in this currency. The appropriate conversion rate (defined for the product as the applicable Rate Type) will be applied to carry out a conversion if the repayment account is in a different currency.
Category	If the interest rate type is Fixed or Floating, specify the type of balance that has to be considered for interest application. It could be any one of the following: <ul style="list-style-type: none"> • Expected • Overdue • Normal • Outstanding
Accruals	Check this box to indicate that accruals have to be carried out for the accruable components.

Table 2-1 (Cont.) Trade Finance Interest Class Definition - Field Description


Field	Description
Bulk Amount	When a contract gets rolled over, you may wish to split it into two contracts - one for the interest amount (I) and the other for the principal amount (P). If you want the floating rate pickup for both the new contracts (tenor/amount) to be based on P+I of the original contract, check this box.
Allow Amendment	If you would like to allow amendment of the interest amount calculated by the system as per the charge rule, check this box.
Stop Application	Check this box to indicate that collection should stop for the interest component.
Grace Period	Specify the number of grace days, beyond the main interest due date, after which that interest component becomes applicable.
Pre Payment Method	<p>Select the method for actual prepayment penalty computation from the adjoining drop-down list. The options available are:</p> <ul style="list-style-type: none"> • Oracle Banking Trade Finance - This option is used where pre payment has to be applied on the deposit contract for contract elapsed days. • Custom - If the Prepayment Method is Custom, then the prepayment penalty in this case will be the minimum of prepayment penalty and Gross interest on the premature withdrawal amount. The system computes the interest amount to be liquidated due to prepayment of principal. You will not be allowed to specify the interest amount during the Payment input in such a case. <div style="border: 1px solid #0070C0; background-color: #E6F2FF; padding: 10px; margin-top: 10px;"> <p> Note:</p> <p>Here, the system does not include the Acquired interest for processing.</p> </div> <p>Also, if you have chosen the prepayment method as Custom, you cannot prepay or manually liquidate either the interest or the principal component. This option is used where pre payment has to be applied on the deposit contract for contract remaining days.</p>
Main Component	Check this box to indicate that the component should be treated as the main interest component.
Link Contract as Rate code	Check this box to indicate that a fixed rate contract may be linked to the floating rate component, instead of a rate code.

Table 2-1 (Cont.) Trade Finance Interest Class Definition - Field Description

Field	Description
Propagation Required	Check this option to indicate that the charge collected from the borrower must be passed on to the participants of the contract.
Consider as Discount	Check this box to indicate that the fee component should be considered as part of discount accrual.
Negative Interest Allowed	<p>Check this box to allow negative interest for interest class. You can check this box only if interest class is maintained for Money Market, Corporate Deposit or Bills and Collections module and 'Main Component' flag is checked.</p> <p>If negative interest is allowed for an interest class, system will generate a negative interest component on saving the interest class. Negative Interest Class name is derived as Main Interest Class Code_N. If the length of main interest class code is more than 8, then the system truncates the interest class code to first eight characters and adds '_N'.</p>
Negative Class Code	The system displays the negative class code.
Interest	
Specify the following details:	
Rate Type	Indicate whether the interest is a Fixed Rate, a Floating Rate or a Special amount. If the Rate Type is a Floating Rate, you should also specify the Rate Code.
Rate Code	Each Rate Code corresponds to a rate defined for a combination of Currency, Amount (if it is necessary) and an Effective Date. These details are maintained in the 'Floating Rates Input' screen. This rate will be applied to all contracts under products linked to the class.
Code Usage	Specify the method in which the floating rates have to be applied. It could either be automatic application (meaning the rate has to be applied every time it changes), or periodic application (meaning the rate has to be applied at a regular frequency, defined for each contract involving the product linked to this class).


Table 2-1 (Cont.) Trade Finance Interest Class Definition - Field Description

Field	Description
Reset Tenor	<p>Floating interest rates are defined for specific amount slabs and tenor combinations. If you are defining a floating interest component or a fixed type with rate code attached, you can indicate the reset tenor for which floating rates need to be picked up.</p> <p>The tenor that you specify for the component is defaulted to all contracts with which the floating interest component is associated.</p>
Borrow Lend Indicator	<p>Indicate the nature of the floating rate that needs to be picked up for the interest component. The options available are:</p> <ul style="list-style-type: none"> • Borrow • Lend • Mid
Rate Calculation Type	<p>For floating type of interest components and fixed type with rate code attached, you can indicate the manner in which floating rates should be applied. The preference that you specify here is used when an interest component does not fit into any direct parameter defined for the floating rate code. The options available are:</p> <ul style="list-style-type: none"> • Up – Choose this option to indicate that the rate of the upper tenor slab should be used. • Down - Choose this option to indicate that the rate of the lower tenor slab should be used. • Interpolate - Choose this option to indicate that the rate should be interpolated between the rates of the upper and lower slabs. • Round Off - Choose this option to indicate that the tenor of the component should be rounded off to the nearest whole number. The rate defined for the derived tenor will be applied to the component.
Margin Application	<p>Indicate the frequency of margin application by choosing one of the following options from the drop-down list.</p>

Table 2-1 (Cont.) Trade Finance Interest Class Definition - Field Description

Field	Description
Margin Basis	<p>Indicate the basis for the interest margin and the method for applying the interest margin on the selected interest component. The available options are:</p> <ul style="list-style-type: none"> • Facility – The system defaults the margin from the borrower facility contract with which the drawdown is linked. • Tranche – The system defaults the margin from the borrower tranche contract with which the drawdown is associated. • Drawdown – If this option is chosen, you must enter the applicable margin when the interest rate is fixed. <ul style="list-style-type: none"> – This component which you select is excluded from all the processing including liquidation and this calculation type is only used for margin application. – After defining this component, booked formula for main interest component needs to be modified by replacing INTEREST_RATE with INTEREST_RATE + MARGIN_RATE. By doing this the interest gets calculated based on resolved interest rate (i.e. including floating rate and spread if applicable) and the margin. • Customer – If this option is chosen, then the margin will be applicable to all drawdown contracts under the selected customer.
Limits	
Specify the following details:	
Currency	Specify the currency of interest rate application. The adjoining option list displays all valid currency codes maintained in the system. You can choose the appropriate one.
Default Rate	Specify the default rate that should be applied for on contracts under the products linked to this class. Default rate allows negative values if the negative interest is allowed for the class.
Minimum Rate	Specify the minimum interest rate that can be applied on contracts under the products linked to this class. Minimum rate allows negative values if the negative interest is allowed for the class.
Maximum Rate	Specify the maximum interest rate that can be applied on contracts under the products linked to this class. Maximum rate allows negative values if the negative interest is allowed for the class.
Default Spread	You are allowed to specify both positive and negative spread as default for the class you are maintaining. The system validates this spread against the maximum and minimum spread you have specified for the currency. Subsequently, the spread will be defaulted to the contract under the products linked to this class.

Table 2-1 (Cont.) Trade Finance Interest Class Definition - Field Description

Field	Description
Minimum Spread	Specify the minimum spread that can be applied on the rate for the currency.
Maximum Spread	Specify the maximum spread that can be applied on the rate for the currency.
Denominator Basis	<p>This is applicable to the interest methods which have their interest basis set to ACTUAL i.e. 30(EURO)/ACTUAL, 30(US)/ACTUAL and ACTUAL/ACTUAL. Denominator Basis is used to specify how the month of February is treated when the denominator is 'Actual'.</p> <p>There are two types of denominator basis methods:</p> <ul style="list-style-type: none"> Per Interest Basis – Here the computation would be done based on ACT/ACT–ISMA Interest Method. In this case, the '366 Basis' field will not be applicable. <p>Per Annum (A) – Here the interest calculation will depend on the value you specify for 366 Basis.</p>
Basis 366	<p>This is applicable only if the Denominator Basis is set to 'Per Annum'. You can select one of the following values here:</p> <ul style="list-style-type: none"> Leap Year Leap Date – computation would be done based on ACT/ACT–FRF Interest Method. <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>In the ACT/ACT– ISMA Interest Method the Numerator would be Actual number of days between two interest dates. Denominator would be computed as the product of the number of times interest is to be received.</p> </div>
Number of Interest Period	Specify the number of Interest period.
Pre Payment Spread	Specify the Pre Payment Spread. This field is specific to Deposits. Based on the Pre Payment Method chosen at the product level, the penalty rate is derived.

2.3 Charge Class

This section contains the following topics:

- [Maintain Charge Class](#)
- [Maintain Charge Class](#)

This topic provides the systematic instructions to maintain charge class.

2.3.1 Maintain Charge Class

This topic provides the systematic instructions to maintain charge class.

You have to build a charge class, for instance, with the attributes of a specific type of charge, such as 'Charges for amending the terms of a transaction', or 'Charges for provision of services'. To recall, a charge rule is built to calculate a specific type of charge component.

Once such a rule is built, you can define attributes like what should be the basis amount on which the charge rule is applied, when the charge should be associated to the contract and when the charge should be calculated and collected.

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

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

Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type '**CFDTFCCM**' in the text box, and click the next arrow.
The '**Trade Finance Charge Class Maintenance**' screen is displayed.

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

For more information on fields, refer to [Table 2-2](#):

Table 2-2 Trade Finance Charge Class Maintenance - Field Description

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

Table 2-2 (Cont.) Trade Finance Charge Class Maintenance - Field Description


Field	Description
Module List	<p>A charge class is built for use in a specific module. As a charge component would be applied on different basis amounts, in different modules. In the Letters of Credit module, for instance, you would apply a flat processing charge or fee on all LCs. In the Securities module, you could levy a flat charge or fee on portfolios that you maintain on behalf of a customer. The basis on which the component is applied is different, in these two cases.</p> <div style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> <p> Note:</p> <p>The Basis Amount Tags available would depend on the module for which you build the class.</p> </div>
Charge Type	<p>Charges can be collected from the counter party or from a third party. You can select one of the following values from the adjoining drop-down list:</p> <ul style="list-style-type: none"> • Counter Party – This indicates that the customer is captured as part of the contract. • Third Party – This indicates that the charges are levied on another entity on behalf of customer (Example: Custodian). • Their Charges – This indicates that your bank is collecting other bank's charges as in the case of LC and BC contracts. <p>The charges or fee that you levy will be recovered, typically, from the counterparty involved. Therefore, when building a charge class, you may indicate the charge to be of 'Counterparty' type.</p>
Events	<p>A contract goes through different stages in its life cycle, such as:</p> <ul style="list-style-type: none"> • Initiation • Amendment • Rollover <p>Each of these stages is referred to as an 'Event' in Oracle Banking Trade Finance.</p> <p>At any of these events, you can choose to apply a charge or fee. When defining a charge class, you should specify:</p> <ul style="list-style-type: none"> • The association event • The application event • Liquidation event <p>The event at which you would like to associate a charge component to a contract is referred to as the Association Event. At this event, no accounting entry (for the charge component) is passed.</p> <p>The event at which the charge component is actually calculated is referred to as the Application Event. At this event, no accounting entry (for the charge component) is passed. The charge or fee is liquidated at the Liquidation event that you specify.</p> <p>If the event chosen for the liquidation of the charge component at the charge class and the event chosen for liquidating the same charge component at the 'Product Events and Accounting Entries' screen are different, the charge will not be liquidated and accounting entries will not be posted.</p>

Table 2-2 (Cont.) Trade Finance Charge Class Maintenance - Field Description

Field	Description
Basis Amount Tag	<p>The basis on which interest, charge, fee, or tax is calculated is referred to as the Basis Amount. (A charge or fee can be on the basis of the contract amount, for instance.) The different basis amounts, available in a module, are associated with a unique 'tag'. When building a charge component, you have to specify the tag associated with the Basis Amount. When charge or fee is calculated for a contract, the basis amount corresponding to the tag will be picked up automatically.</p> <p>Basis amount refers to:</p> <ul style="list-style-type: none"> • Principal amount or commitment • Transaction amount in the case of a teller entry • Transfer amount in case of a Remittance • LC amount in the case of a Letter of Credit • Bill amount in the case of a Bill • Deal Nominal amount for a Security Deal
Default Charge Rule	<p>You can link a charge rule that you have defined to the charge component that you are building. When you link a rule to a component, the attributes that you have defined for the rule will default to the component.</p> <p>To recall, a charge rule identifies the method in which charge or fee of a particular type is to be calculated. A rule is built with, amongst others, the following attributes:</p> <ul style="list-style-type: none"> • The charge currency • Whether the charge or fee is to be a flat amount or calculated on a rate basis • The minimum and maximum charge that can be applied • The tier or slab structure on which the charge is to be applied • The customer and currency restrictions, etc. <p>The charge component to which you link a rule acquires these properties. Charges for the product with which you associate a charge component will be calculated, by default, according to the rule linked to the component. However, when processing a contract, you can choose to waive the rule altogether.</p> <p>When building a charge class, you can choose to allow the amendment of the rule linked to it, in the following conditions:</p> <ul style="list-style-type: none"> • You can choose to allow amendment after the association event • You can choose to allow amendment after the application event • You can choose to allow amendment of the charge amount

Table 2-2 (Cont.) Trade Finance Charge Class Maintenance - Field Description


Field	Description
Default Settlement Currency	<p>Charges or fees levied on a contract will be settled in the Settlement Currency that you specify for the charge class associated with the product (under which the contract is processed). However, when processing a contract, you can choose to settle the charge in another currency.</p> <p>The charge currency defined for the rule is used only for booking charges. The actual settlement is done in the default settlement currency' maintained for the charge class. The final charge is computed based on preferences defined in the charge rule set-up. The amount is converted to the settlement currency in case the charge currency is different from the contract currency.</p> <div style="background-color: #e6f2ff; padding: 10px; border: 1px solid #0070c0;"> <p> Note:</p> <ul style="list-style-type: none"> For the liquidation of charge components with a charge currency not equal to the contract currency during discounting, the charge amount is calculated in the contract currency based on the exchange rate between the settlement currency and the contract currency as on the discounting date. The charge amount in contract currency is used for accounting. If the charge currency is different from the contract currency and the contract currency is same as the settlement account currency, the exchange rate maintained for the settlement account through the 'Settlement Message Details – Account Details' screen is used to convert the charge amount into the contract currency amount. </div> <p>When you associate a charge component with a product, you can choose to allow the amendment of the rule linked to it, under the following conditions:</p>
Allow Rule Amendments	If you would like to allow the amendment of a rule for a charge component when linked to a contract, check this box.
Amend after Association	If you would like to allow the amendment after association of a rule for a charge component, check this box. Once checked the system will allow you to modify the rule after the association event is triggered for the linked contract.
Allow Amount Amendment	If you would like to allow amendment of the charge amount calculated by the system as per the charge rule, check this box.

Table 2-2 (Cont.) Trade Finance Charge Class Maintenance - Field Description




Field	Description
Amend After Application	If you would like to allow the amendment of the charge amount after application of a rule for a charge component, check this box. Once checked the system will allow you to modify the charge amount after the application event is triggered for the linked contract.
Default Waiver	Check this box to indicate that even if charge is computed, it should not be liquidated.
Capitalize	<p>You can capitalize the payment of charges and fees. If the charge is not paid on a scheduled date, the outstanding charge amount will be added to the outstanding principal and this becomes the principal for the next schedule. If a partial payment has been made, the unpaid amount will be capitalized (the unpaid charge is added to the unpaid principal and this becomes the principal for the next schedule).</p> <p> Note:</p> <p>If the 'Capitalize' option is not checked for the broker, deal, product and currency combination, then the option 'Consider as discount' cannot be checked for the securities module.</p>
Consider as Discount	<p>While defining a charge class for either the securities or the bills module, you can indicate whether the charge component is to be considered for discount accrual on a constant yield basis.</p> <p>If you select this option the charge received against the component is used in the computation of the constant yield and subsequently amortized over the tenor of the associated contract.</p> <p>Checking this option also indicates that the component is to be used for IRR calculation.</p> <p> Note:</p> <p>IRR, the Internal Rate of Return is the annualized effective compounded return rate which can be earned on the invested capital, i.e. the yield on the investment.</p>

Table 2-2 (Cont.) Trade Finance Charge Class Maintenance - Field Description

Field	Description
Accrual Required	<p>Checking this indicates that the charges have to be accrued. Subsequently, the charges are accrued using the upfront fee system.</p> <div style="border: 1px solid #0070C0; padding: 5px; background-color: #E6F2FF;"> <p> Note: This option is disabled for BC contracts.</p> </div>
Discount Basis	<p>While defining a charge class for the bills module, you can define the discount basis for the purpose of IRR computation. You can choose either of the following as discount basis:</p> <ul style="list-style-type: none"> • Inflow – If you choose Inflow, the charge will be considered as an inflow for IRR computation • Outflow – If you choose Outflow, the charge will be treated as an outflow for IRR computation <p>You can define discount basis only if the 'Consider as Discount' option is enabled. If you have not opted for 'Consider as Discount', the Discount Basis field will be disabled. If the 'Consider as Discount' option is enabled Discount basis has to be defined. On enabling the 'Consider as Discount', the default value of Discount Basis will be 'Inflow' and you will have to change it to 'Outflow' if required.</p>

2.4 Discount Accrual Class

This section contains the following topics:

- [Maintain Discount Accrual Class](#)
- [Maintain Discount Accrual Class](#)

This topic provides the systematic instructions to maintain discount accrual.

2.4.1 Maintain Discount Accrual Class

This topic provides the systematic instructions to maintain discount accrual.

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

When building a discount accrual fee class, you define certain attributes such as:

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

- The day count methods for each currency using the class. You can define the day count methods for both the numerator and the denominator.

Specify the **User ID** and **Password**, and login to Homepage.

- On the Homepage, type 'DADTFACL' in the text box, and click the next arrow.

The 'Trade Finance Discount Accrual Class Maintenance' screen is displayed:

- On **Trade Finance Discount Accrual Class Maintenance** screen, specify the fields.

For information on fields, refer to [Table 2-3](#):

Table 2-3 Trade Finance Discount Accrual Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Module Description	The system displays a brief description of the chosen module.
Accrual Preference	
Discount Accrual Required	Check this box to indicate that discount accrual is required.

Table 2-3 (Cont.) Trade Finance Discount Accrual Class Maintenance - Field Description

Field	Description
Accrual Frequency	<p>If you check the box 'Accrual Required', you will have to select the accrual frequency from the adjoining drop-down list:</p> <ul style="list-style-type: none"> • Daily • Weekly • Monthly • Half-Yearly • Annual
Handling of Foreclosure	<p>Select the method of handling foreclosure from the adjoining drop-down list:</p> <ul style="list-style-type: none"> • Complete Accrual • Refund
Acquisition Type	<p>The Acquisition Type is determined by the cash flows of Interest, charges and fees for which 'Consider as Discount' option is checked. The drop down list comprises of the following values:</p> <ul style="list-style-type: none"> • Par • Par/Discount • Par/Premium • Par/Discount/Premium <p>If the incoming cash flows of all the above components are greater than outgoing cash flows considering Incoming flow as Positive (In case of Loans) then acquisition type is considered as Discount.</p> <p>If the incoming cash flows of all the above components are less than outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Premium.</p> <p>If the incoming cash flows of all the above components are equal to outgoing cash flows considering Incoming flow as Positive (In case of Loan) then acquisition type is considered as Par.</p>
Class Currency Preference	
Currency	Specify the currency code. The adjoining option list displays all currency codes available in the system. You can choose the appropriate one.
Currency Name	The system displays the name of the currency.
Numerator Method	Specify the numerator method.
Denominator Method	Specify the denominator method. You can maintain multiple currency codes.

2.5 Events Class Maintenance

This section contains the following topics:

- [Load Event Class Maintenance](#)
- [Account Entries Button](#)
- [Advices Button](#)
- [Fields Button](#)
- [Maintain Event Class for Account Initial Funding](#)
- [Load Event Class Maintenance](#)
This topic provides the systematic instructions to load event class maintenance.
- [Account Entries Button](#)
This topic provides the systematic instructions to account entries button.
- [Advices Button](#)
This topic provides the systematic instructions to view advices button.
- [Fields Button](#)
This topic provides the systematic instructions to load fields button.
- [Maintain Event Class for Account Initial Funding](#)
This topic provides the systematic instructions to maintain event class for account initial funding.

2.5.1 Load Event Class Maintenance

This topic provides the systematic instructions to load event class maintenance.

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

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

Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type '**CSDTFEVM**' in the text box, and click the next arrow.

The '**Trade Finance Events Class Maintenance**' screen is displayed.

2. On **Trade Finance Events Class Maintenance** screen, specify the fields.
For information on fields, refer [Table 2-4](#):

Table 2-4 Trade Finance Events Class Maintenance - Field Description

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

2.5.2 Account Entries Button

This topic provides the systematic instructions to account entries button.

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

Specify the **User ID** and **Password**, and login to Homepage.

On the Homepage, navigate to **Trade Finance Events Class Maintenance** screen.

1. On **Trade Finance Events Class Maintenance** screen, click **Accounting Entries** button.
The **Accounting Entries** screen is displayed:

The screenshot shows a web application interface for 'Events Class Maintenance'. It features a form with the following fields:

- Class Code: [Empty]
- Class Description: [Empty]
- Event Code: BACP
- Event Description: Acceptance of a Bill

Below the form is a table with the following columns and data:

Account role *	Amount tag	Dr/Cr Indicator *	Transaction Code *	Netting Of Off Set Records *	MIS Head
<input type="checkbox"/> ABBL_COMIAQR		Debit	AAT	No	

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The system displays the following details from the main screen:

- Event Code
 - Event Description
2. On **Accounting Entries** screen, specify the following accounting details.
 - Accounting Role
 - Amount Tag
 - Transaction Code
 - Netting Indicator
 - MIS Head

2.5.3 Advices Button

This topic provides the systematic instructions to view advices button.

At an event, you can opt to generate an advice if the accounting entry involves a customer account. Click '**Advices**' button to define the advices that should be generated for an event.

Specify the **User ID** and **Password**, and login to Homepage.

On the Homepage, navigate to **Trade Finance Events Class Maintenance** screen.

1. On **Trade Finance Events Class Maintenance** screen, click **Advices** button.

The **Advices** screen is displayed.

The system displays the following details from the main screen:

- Event Code
- Event Description

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

For information on fields, refer to [Table 2-5](#):

Table 2-5 Advices - Field Description

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

2.5.4 Fields Button

This topic provides the systematic instructions to load fields button.

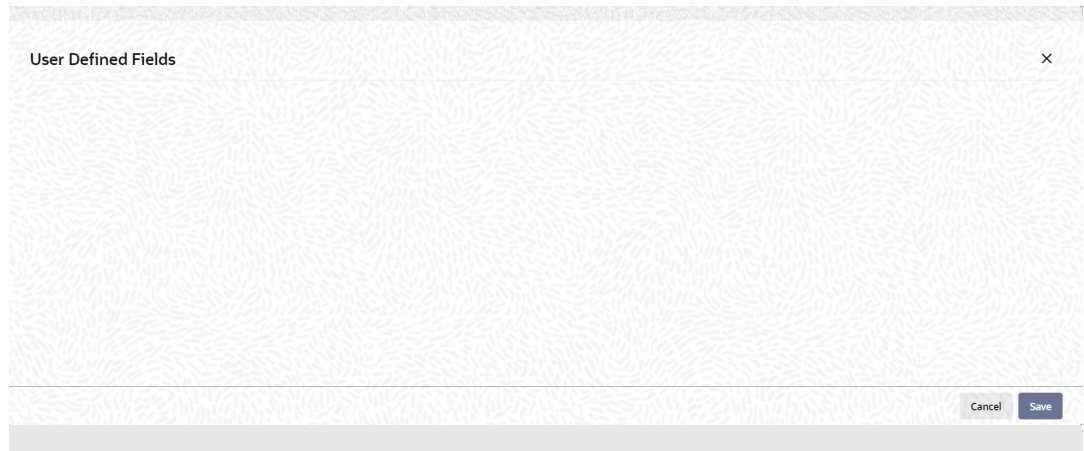
You can capture user-defined fields (UDFs) in the '**User Defined Fields**' screen.

Specify the **User ID** and **Password**, and login to Homepage.

On the Homepage, navigate to **Trade Finance Events Class Maintenance** screen.

1. On **Trade Finance Events Class Maintenance** screen, click **Fields** button.

The **User Defined Fields** screen is displayed.



2. On **User Defined Fields** screen, specify the fields.
For information on fields, refer [Table 2-6](#):

Table 2-6 User Defined Fields - Field Description

Field	Description
Field Name	Specify the UDF that should be linked to the class. The adjoining option list displays all valid UDFs maintained in the system. You can choose the appropriate one.
Value	Specify the value for each UDF. You can maintain multiple UDFs.

2.5.5 Maintain Event Class for Account Initial Funding

This topic provides the systematic instructions to maintain event class for account initial funding.

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

Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type 'CSDTFEVM' in the text box, and click the next arrow.
The '**Trade Finance Events Class Maintenance**' screen is displayed.

2. On **Trade Finance Events Class Maintenance** screen, specify the fields.
For information on fields, refer [Table 2-7](#):

Table 2-7 Trade Finance Events Class Maintenance - Field Description

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

3. Click '**Accounting Entries**' button and load the following screen.
The **Accounting Entries** screen is displayed.

You need to maintain the following accounting entries.

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

4. Click '**Advices**' button and load the following screen.

The **Advices** screen is displayed.

You need to associate the message 'ACC_OPADV' to the event 'INIT'.

Refer the section 'Maintaining Message Type for Account Opening' in the chapter titled 'Maintaining Messaging Branch Preferences' in the Messaging System User Manual for details about maintaining messages.

2.6 Role to Head Mapping Class

This section contains the following topics:

- [Load Role to Head Mapping Class Maintenance](#)
- [Fields Button](#)
- [Maintain a Class for Account Opening Charge](#)
- [Load Role to Head Mapping Class Maintenance](#)
This topic provides the systematic instructions to load role to head mapping class maintenance.
- [Fields Button](#)
This topic provides the systematic instructions to view fields button.
- [Maintain a Class for Account Opening Charge](#)
This topic provides the systematic instructions to maintain a class for account opening charge.

2.6.1 Load Role to Head Mapping Class Maintenance

This topic provides the systematic instructions to load role to head mapping class maintenance.

You can build a role to head mapping class in the '**Trade Finance Role to Head Mapping Class Maintenance**' screen.

Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type '**CSDTFRHM**' in the text box, and click the next arrow.
The **Trade Finance Role to Head Mapping Class Maintenance** screen is displayed.

2. On **Trade Finance Role to Head Mapping Class Maintenance** screen, specify the fields.
For information on fields, refer [Table 2-8](#):

Table 2-8 Trade Finance Role to Head Mapping Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique code to identify the class.
Description	Specify a brief description for the class.
Module	Specify the module to which the class should be applicable. The adjoining option list displays all module codes available in the system. You can choose the appropriate one.
Description	The system displays a brief description of the chosen module.
Role to Head Mapping	
Accounting Role	Specify an Accounting Role. The adjoining option list displays all roles available in the system. You can select the appropriate one by double clicking on it. Next, in the Account Head column, select an accounting head from the adjoining option list.
Accounting Role Description	A brief description of each accounting role that you choose is displayed.
Account Head	If you choose not to associate the product with a class, you have to specify the account heads for the product, in this field. You can invoke a list of the accounting heads that you have maintained from the option list positioned next to this field. Choose a head by double clicking on it.
Accounting Head Description	A brief description of each accounting head that you choose is displayed.

2.6.2 Fields Button

This topic provides the systematic instructions to view fields button.

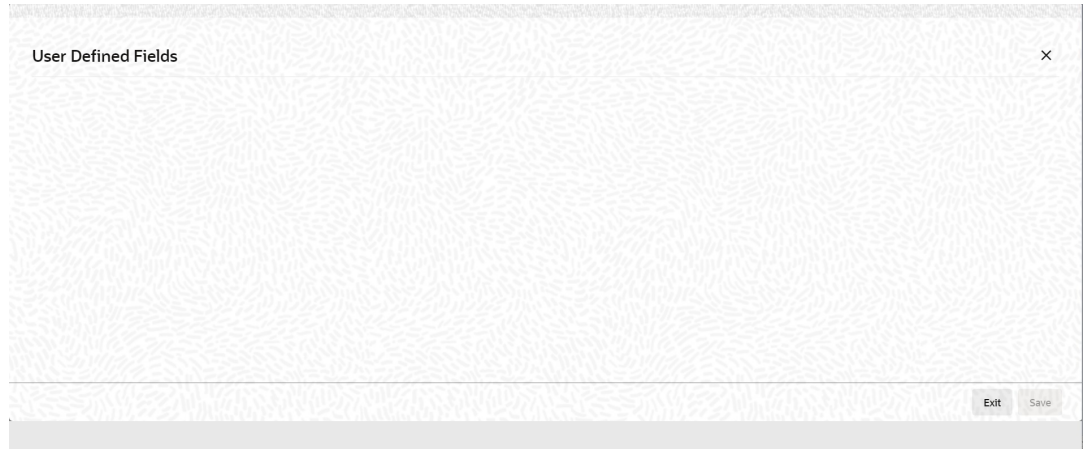
You can capture user-defined fields (UDFs) in the '**User Defined Fields**' screen.

Specify the **User ID** and **Password**, and login to Homepage.

On the Homepage, navigate to **Trade Finance Role to Head Mapping Class Maintenance** screen.

1. On **Trade Finance Role to Head Mapping Class Maintenance** screen, click **Fields** button.

The **User Defined Fields** screen is displayed.



2. On **User Defined Fields** screen, specify the fields.
For information on fields, refer [Table 2-9](#):

Table 2-9 User Defined Fields - Field Description

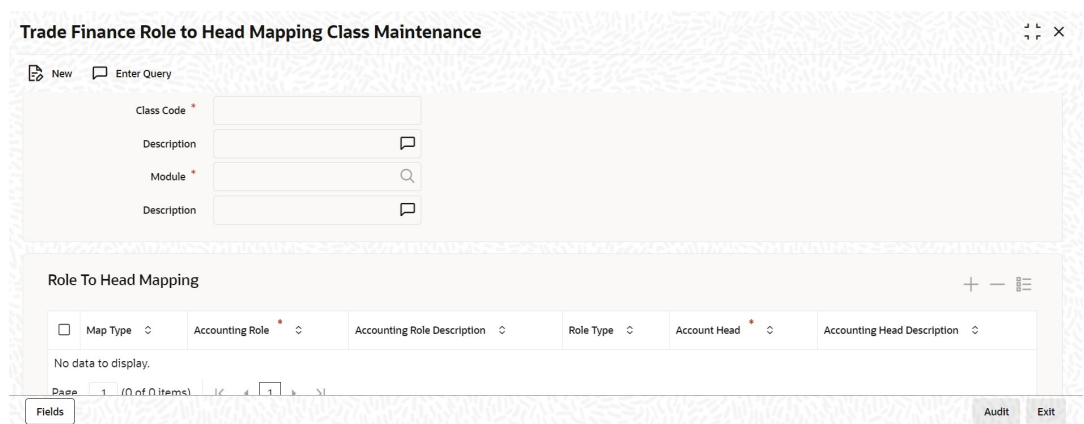
Field	Description
Field Name	The system displays the UDFs.
Value	Specify the value for each UDF.

2.6.3 Maintain a Class for Account Opening Charge

This topic provides the systematic instructions to maintain a class for account opening charge. You can create a class to define role to head mapping for levying charges on account opening. For this, you need to load the '**Role to Head Mapping Class Maintenance**' screen. Specify the **User ID** and **Password**, and login to Homepage.

1. On the Homepage, type '**CSDRHCLM**' in the text box, and click the next arrow.

The **Trade Finance Role to Head Mapping Class Maintenance** screen is displayed:



2. On **Trade Finance Role to Head Mapping Class Maintenance** screen, specify the fields.
For information on fields, refer [Table 2-10](#):

Table 2-10 Trade Finance Role to Head Mapping Class Maintenance - Field Description

Field	Description
Class Code	Specify a unique identifier for the class code.
Description	Give a brief description to identify the class code.
Module	Specify ' DE ' as the module code for the event class.
Module Description	The system displays the description as ' Data Entry ' on specifying ' DE ' as the module.
Role To Head Mapping	
Maintain the following details.	
Accounting Role	Specify the role available for charge income.
Accounting Head	Specify an accounting head (GL) that should be used for recovering account opening charge.

Glossary

CFDTFCCM

Trade Finance Charge Class Maintenance - [Maintain Charge Class](#)

CFDTFINC

Trade Finance Interest Class Definition - [Define Interest Class](#)

CSDRHCLM

Trade Finance Role to Head Mapping Class Maintenance - [Maintain a Class for Account Opening Charge](#)

CSDTFEVM

Trade Finance Events Class Maintenance - [Load Event Class Maintenance](#)

CSDTFRHM

Trade Finance Role to Head Mapping Class Maintenance - [Load Role to Head Mapping Class Maintenance](#)

DADTFACL

Trade Finance Discount Accrual Class Maintenance - [Maintain Discount Accrual Class](#)