

## What's New in Temenos Transact

October 2022

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# Release Highlights

# Islamic Banking

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## Islamic Deposits and PDS » Islamic Account Closure and Profit Payout

Transact is now enhanced to allow the users to close a Mudaraba account on PDS run. For accounts closed on the PDS run,

- The profit amount for the last period is calculated with the applicable PDS profit rate till the closure requested date.
- During the PDS distribution, once the profit amount is paid, the accounts are closed automatically.

Click [here](#) to understand the technical impact of this enhancement for customisation and upgrades.

Click [here](#) to understand the installation and configuration updates for this enhancement.

**The topics related to this feature are given below:**

[Islamic Accounts Closure](#)

[Understanding Simulation](#)

[Configuration for ID.SYSTEM.PARAMETER](#)

[Applying Profit Rate for Mudaraba Accounts](#)

[PDS-COPR Marked Accounts List](#)

# Regional Banking Solutions

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## Argentina Model Bank

### Accounts » Remove Soft Property Class from UVA Deposit

Complying with the Argentina regulations and following the macroeconomic context of low taxes, UVA deposits try to stimulate investments in local currency, offering an option that adjusts to the evolution of the prices.

This functionality allows banks to manage the UVA deposits without using the soft property class.

New non-negotiable fields have been released as part of the AA . PRD . DES . ACCOUNT application to store the Fixed Rate of Pre-cancellation (TP) rate, currency market of TP rate, redeem notice period, redeem days convention, redeem request date and amount to be paid in case of early redemption.

New configuration records have been released as part of this functionality to handle the UVA deposits without using the soft property class.

The topic related to this feature is given below:

[Accounts](#)

# Australia Model Bank

## Rate Lock

Rate lock is an agreement between a customer and a bank that allows the customer to lock in the interest rate on a fixed rate loan over a specified time period at the possibility of rising interest rates. If the advertised rate for the customer's chosen fixed rate period falls below their locked rate on their settlement date, the customer will be given the lower of the current advertised fixed rate and their locked rate. To provide this feature to the customers, bank will charge a Rate Lock fee.

This functionality allows banks to simplify the process by only creating the loan arrangement for the customer, where the user is able to capture the rate lock information within the loan arrangement.

The customer is able to rate-lock in advance and for this rate to be firm automatically applied if the actual rates on the day move in favor of the customer.

The topic related to this feature is given below:

[Rate Lock](#)

# India Model Bank

## Lending Compliance » NPA Validations and Calculations

Complying with the latest RBI regulations, income recognition must be objective and based on the record of recovery.

This functionality allows banks to reverse the interest already charged and not collected by debiting the Profit and Loss (P&L) account, stop the further application of interest for an account turning Non-Performing Asset (NPA), update the classification status in the account applications to facilitate flow to downstream systems, automatically propagate the customer classification across all his accounts and suspend the interest for all the accounts of the NPA customer, including the standard assets. DPD calculation and ageing are enabled for out-order accounts, too.

New fields have been introduced as part of this functionality to the `INLEND.AA.PARAMETER` application, to configure the interest suspense internal account and `AC.INWARD.ENTRY` records.

New fields have been introduced as part of this functionality to the `AA.PRD.DES.ACCOUNT` application, to store the actual asset classification of the loan contract and the worst classification of the contract at the customer level.

The topic related to this feature is given below:

[Lending Compliance](#)

# UK Model Bank

## Other Interest Report

Her Majesty's Revenue and Customs (HMRC) requires banks to share the Other Interest (OI) Returns generated for the customers. This report will contain the list of all transactions where the customer has generated an Income as a result of an underlying corporate action on the portfolio. This report will include/report the transactions of all single holders and joint holders who co-own the portfolio. Also, with regard to Other Interest (OI) Reporting, a reportable individual customer is someone with a residential address in the United Kingdom. The information represented in the Other Interest (OI) Return makes sure that self-assessment tax returns are accurate and complete.

This module allows banks to generate the Other Interest report which holds the list of account owners who have benefited from a corporate action event.

The topic related to this feature is given below:

[Other Interest Report](#)

# United States Model Bank

## US Real Time Gross Settlement » Fedwire Return File Generation

The incoming Fedwire transactions which are successfully processed or failed in the payment system due to errors in information passed or due to restrictions on accounts are placed in the exception queue along with the exception reason.

It is possible to correct the payment information and proceed with the completion of the payment or, the payment can be returned by choosing the appropriate return reason. Once the return transaction is authorised, the returns are included in the outward file to be sent to Fedwire.

The incoming Fedwire transactions which are successfully processed can be returned based on the decision taken by the receiving customer, bank user, or reversal request from the originator.

This requirement covers the processing of the outgoing Fedwire return transactions from exception, history, or nonvalue message queues.

The return transaction file should have the type code 1002 or 1008 or 1602 or 1608 in the tag 1510.

Same-day transactions are to be returned with the code XX02 and previous-day transactions with code XX08.

The return file should have the return reason to be updated in tag 6500.

**The topic related to this feature is given below:**

[US Real Time Gross Settlement](#)

## ACH Framework » Same Day ACH Debit via DB Application

This functionality allows users, customers or merchants to pull funds from external bank accounts within the same day via the DB collection application.

The topic related to this feature is given below:

[Same Day ACH Debit via DB Application](#)

# Retail

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## Arrangement Architecture » Improving Performance during Synchronous Simulation

Defining the *Ignore Sim* field in the `AA.PARAMETER` application improves the response time of a synchronous simulation. When this field is set as Yes, the corresponding `AA.SIM.<PROPERTY.CLASS>` records are not updated for the simulation.

Also, setting the *Synchronous* field to Yes in the `AA.SIMULATION.RUNNER` record along with the simulation capture references of the respective activities helps to combine and simulate two or more activities online (instead of using a service).

Click [here](#) to understand the technical impact of this enhancement for customisation and upgrades.

The topics related to this feature are given below:

[Improving Performance during Synchronous Simulation-Configuration](#)

[Improving Performance during Synchronous Simulation-Working With](#)

## Retail Accounts and Fixed Deposits » Customer Dormancy Processing using CDM

Transact is now enhanced to:

- Handover the *Last Activity Date* field value of the dormant arrangement to the `ST.CDM.MONITOR`.

- Configure if the AA dormancy processing should handoff the dormancy information to the CDM when the arrangement becomes dormant.
- Allow the user to define *Dormancy Status* at which the arrangement dormancy information has to be handed off to CDM for customer level dormancy processing.

The topics related to this feature are given below:

[Configuring Customer Dormancy Processing - Accounts](#)

[Configuring Customer Dormancy Processing - Deposits](#)

[Cdm Handoff Attribute](#)

[Working with Customer Level Dormancy Processing - Accounts](#)

[Working with Customer Level Dormancy Processing - Deposits](#)

## Arrangement Architecture and AA Product Bundling » Multiple Notional Interests on Pool Balance

Transact now allows configuration of two interest properties in a notional pool. It is enabled to calculate both debit and credit interest on the same notional pool balance based on the pool balance after offsetting, through the Interest Compensation product condition.

The topics related to this feature are given below:

[Interest Compensation Attributes](#)

[Interest Compensation feature in Bundle Product or Interest Calculation on Notional Pool](#)

[Memo Interest for Notional Pool Bundles and Interest for](#)



Notional Pool Bundles - Illustrations

# Installation and Configuration Notes

# Islamic Banking

## Islamic Deposits and PDS » Islamic Account Closure and Profit Payout

The following parameters help in configuring the Mudaraba account closure.

- The *Acct Close Post Restrict* field in the `ID.SYSTEM.PARAMETER` application has to be configured with a valid posting restrict code. It is used for posting restrictions when the accounts are marked to close using the Close on PDS Run shortcut available in the AA - Islamic arrangement Accounts Overview page.
- A new named activity has to be configured for the `ACCOUNTS.APPLY.CHANGE.ACCOUNT` action in the `ID.SYSTEM.PARAMETER` application.
- A new job named `ID.PERFORM.PDS.ACCOUNT.CLOSE` is added to the 'BNK/ID.PROFIT.DISTRIBUTION' online or standalone batch, to close the accounts during distribution. The new job can be added in any order after the `ID.PROFIT.DISTRIBUTION.POST` job.
- In the `AA.CLASS.DEFINITION` application (for the soft property class record `AA*XIS.POOLID`), new fields are added to the page which opens on clicking the Close on PDS Run shortcut to provide an option to close the Mudaraba accounts on the PDS run date. These new fields are applicable only for Islamic Mudaraba accounts.

Field	Description
<i>Close on PDS run</i>	Chooses whether the account should be closed on PDS run. By default, it is blank. Setting this field value to YES is not allowed for Mudaraba accounts with Dormant status
<i>Close Request Date</i>	Stores the account closure request date
<i>Eligible to Close on</i>	Stores whether the account is eligible for PDS run or not. If profit eligibility check is passed, it gets updated as YES. Otherwise, it is updated as NO



Field	Description
<i>PDS Run</i>	
<i>Eligibility Failed Reason</i>	Stores the profit eligibility failed reasons
<i>Close Pay In Account</i>	Stores the new Pay In account to be used during profit payment
<i>Close Payout Account</i>	Stores the new Pay out account to be used during profit payment

# Technical Notes

# Islamic Banking

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## Islamic Deposits and PDS » Islamic Account Closure and Profit Payout

During distribution (the distribution cycle in which the closure requested date falls in between the simulation period), the ID.PERFORM.PDS.ACCOUNT.CLOSE job triggers the set of activities listed below.

- ACCOUNTS-CHANGE.PROFIT-MUD.ACCOUNT (Rate change activity) to update the new interest rate calculated by the current simulation cycle.
- ACCOUNTS-UPDATE-ACACCOUNT to remove the posting restriction applied on the account.
- ACCOUNTS-RETROSPECT-ARRANGEMENT for all Islamic Accounts arrangement.
- ACCOUNTS-SETTLE-PAYOFF to close the Islamic Accounts arrangement after settling all the bills.

# Retail

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## Arrangement Architecture » Improving Performance during Synchronous Simulation

The default behaviour of the *Ignore Sim* field in `AA.PARAMETER` application is as follows:

- In R21, the default option is Yes and therefore, the system does not update the `AA.SIM.<PROPERTY.CLASS>` files during the simulation capture by default.
- From R22 onwards, the default option is No and therefore, the system updates the `AA.SIM.<PROPERTY.CLASS>` files during the simulation capture by default.