What's New in

Temenos Transact

September 2021

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Release Highlights

Application Framework

System Core (EB) » Resolving EOD Errors Automatically

In Temenos Transact, whenever a business error occurs during COB, the system removes the contract from being processed, records the information in the EB.EOD.ERROR table and continues the COB. When starting the next COB, the system checks, if there are any unresolved error situations from previous run (recorded in EB.EOD.ERROR). This is done by checking the **Date Resolved** field in the EB.EOD.ERROR table. If any of the recorded errors are unresolved, the system does not allow COB to be initiated. The operator/administrator, who initiates COB, should resolve these errors, recorded in EB.EOD.ERROR, manually.

In TSA.SERVICE, a new feature is now introduced to scan and update the Date Resolved field automatically in EB.EOD.ERROR, so that the errors are automatically marked as resolved at the time of starting TSA.SERVICE for COB. This feature allows COB and TI.DATE.CHANGE services to run.

> **The topic related to this feature is given below:**
>
> Resolving EOD Errors Automatically

System Core » Monitoring the COB Progress

A new application, EB.COB.MONITOR.PARAMETER is now introduced in Transact that allows external systems to monitor the progress of COB. This application allows to define parameters such as expected runtime and threshold for all stages and COB. The deviation for each stage change or COB is calculated based on the threshold in EB.COB.MONITOR or TEC.ITEM. Transact updates the calculated deviation in the EB.COB.MONITOR.OUTPUT runtime table, Data Event Streaming (DES) and in Grafana dashboard.

The topic related to this feature is given below:

Monitoring COB Progress

System Core » Removing References of Installed Updates

A new application, `EB.ROLLBACK.UPDINFO` is now introduced that allows the cloud operation team, to input the list of Transact Updates to be removed from the SPF application. The system validates each Update reference, mentioned in the **REMOVE.UPDATE** field for its previously installed update and populates it in the **REPLACE.UPDATE** field. If no previous updates are identified, then the corresponding update is removed from SPF without any replacement.

On authorisation of the record, the reference of the installed Updates in SPF is replaced with previous updates available in the **REPLACE.UPDATE** field or remove from the SPF.

This feature facilitates to remove the reference of any update from SPF, which allows the operation team to reinstall the Updates, without having to manually perform any modifications from the backend.

The topic related to this feature is given below:

Cloud Operation Efficiency

Security Management System (SM) » Allowing `USE.LOCAL.SMS` definition in `USER.SMS.GROUP`

As an alternate method of implementing Temenos Transact security and as a

client requirement, similar to the functionality that exists in EB.USER.ROLES, the USER.SMS.GROUP application is now extended with the input ability for the **Use Local SMS** field. When the field is updated to Yes, it calls the EB.LOCAL.SMS.ROUTINE, which allows to define SMS restrictions in EB.LOCAL.SMS.ROUTINE before displaying records on the browser screen.

The topic related to this feature is given below:

Local API Configuration

Corporate

Interest » Intraday Periodic Rate Repricing based on Periodic Index

Banks use periodic interest rates to calculate the interest on loans given to borrowers. These rates are tied to benchmark indices like LIBOR, EURIBOR and so on which are released every day. Then, the bank add or subtract a margin on these base rates to arrive at the loan interest rates.

LIBOR, EURIBOR index rates are published at a different time throughout the day. Once all the rates are published and picked up by Transact, it fixes the interest rates for all the contracts which needs online interest rate re-pricing on that day. If online interest reset is not set for the contracts, then the rates are reset during COB. After the rates are reset online or during COB, notices are sent to the concerned parties regarding the change in the interest rates.

Online re-pricing of the loan contracts (for all the indices) happened together at a specific time scheduled by the bank and only a single service is scheduled for this. Some banks prefer their contracts to be re-priced immediately after the respective rates are picked up by the system independent of the other indices.

Transact is now enhanced to facilitate the intraday periodic rate re-pricing functionality which allows the bank to re-price the loan contracts as soon as the index rates are published in the system. TSA.SERVICE is enhanced where multiple services can be created and scheduled by the banks to reset the interest rates according to the time when the respective indices are published.

The benefits of this functionality are:

- Allows the banks to reprice the rates and inform the customers about the new rates when there is a change in the underlying index on time.
- Allows the banks to reset the interest rates of loan arrangements online based on their respective indices.
- Banks can reset the interest rates of the loan contracts as soon as the respective index rates are published.

The topic related to this feature is given below:

Intraday Periodic Rate Repricing based on Periodic Index

Private Wealth

Derivatives » Auto Closeout of Cash Settled Contracts

Temenos Transact handles auto exercise and auto expiry of physically settled options during the end of the day processing. However, for cash settled options, auto exercise and auto expiry were not possible.

The Derivatives (DX) module is now enhanced to support the automatic closeout of cash settled options. Auto closeouts are system closeouts, which are triggered during the COB on the last date to closeout an option (exercise and expire). The system already supported the auto closeout of physical options and is now enhanced to support the automatic closeout of cash settled options.

The topics related to this feature are given below:

Auto Closeout of Cash Settled Contracts

Updating Market Price

Updating Settlement Amount

Auto Exercise Closeout

Auto Expire Closeout

Securities » Securities Trade Confirmation Response through MX Messages

SETR030 is sent by an instructing party, a custodian, or an affirming party to an executing party or to the Central Matching Utility (CMU) to affirm (accept) or disaffirm (reject) the Securities Trade Confirmation message (SETR027). When the SETR027 message is accepted, the trade is authorised for settlement processing. If the SETR027 message is rejected, the trade is not authorised for

settlement. Therefore, there was a need to generate an SETR030 as a reply to the party, which has sent an SETR027 previously.

The Securities module in Temenos Transact is enhanced to support the outward SETR030 MX message for the received SETR027 MX message. Banks can now send outward SETR030 MX message and confirm or reject the previously received SETR027 message.

The topics related to this feature are given below:

Securities Trade Confirmation Response through MX Messages

Handling SETR030 Messages

Corporate Actions » Customer Initiated Conversion on ADR/GDR

Securities are traded as American Depository Receipts (ADR) and Global Depository Receipts (GDR) in the American and global markets, respectively. Securities are often converted from one form to the other or to the underlying instrument. However, there was no facility to record the conversion and identify the ADR and GDR instruments.

This functionality allows Temenos Transact to record the ADR or GDR attributes and allow conversion from ADR or GDR to the underlying instrument. Temenos Transact has been enhanced to perform the following functions:

- Capture the conversion attributes of dual listed securities at the instrument level.
- Allow customer-initiated conversion of dual listed securities based on the attributes captured in the instrument master record.
- Allow exercising a convertible security into multiple securities (bundle) based on the instrument master attributes.

The topics related to this feature are given below:

Settlement » Bilateral Splitting and Trade Netting

In bilateral splitting, the party (bank) and the counterparty enter into a bilateral splitting agreement, where the original settlement instruction sent to the custodian is cancelled and further be split based on the quantity available for settlement with the party or the counterparty.

Trade Netting happens when the buy and the sell trades, on the broker side, are dependent on one another and the broker is insufficient in both the legs.

By allowing trades to net against one another and by reducing the unsettled position, both the bank and the broker reduce the settlement risk and any subsequent penalties. The system is required to support additional settlement instructions such as split settlement and trade netting to support the market practices related to settlement of securities in the US markets.

The settlement module supports trade netting and split settlement of depository delivery instructions. By allowing split settlement and trade netting, the bank maximizes the actual settled nominal and reduces its settlement risks and penalties.

The topics related to this feature are given below:

Bilateral Splitting

Trade Netting

Regional Banking Solutions

Argentina Model Bank

Taxes » Tax Returns Validations in Salta and Tucuman

Argentinian regulation includes Tax Returns, the returning of money to the customers, based on the information received via Padron file from AFIP and jurisdictional tax regulators in Argentina.

This functionality enables banks to return the amount that comes in the Tax Returns file without making an exact comparison on the collected amount in the account of the customer, in the files of the following jurisdictions:

- Salta: SALTA-IIBB-DEVOLUCIONES-AAAAMMDD.
- Tucuman: TUCUMAN-IIBB-DEVOLUCIONES-AAAAMMDD.
- Tucuman Partial: TUCUMAN-IIBB-DEVOLUCIONES-PARCIAL-AAAAMMDD.

The system allows more than one request based on the taxes collected and previous amounts refunded if the incoming amount does not exceed the collected taxes on that period.

The `ARTAXS.TAX.COLLECTION.DETAILS` application has been introduced as part of this functionality to store the collected amount of the Turnover Collections taxes in an account per day.

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

Israel Model Bank

Collateral Position Management » TASE (Tel Aviv Stock Exchange) Collateral Management

This functionality allows banks to mark positions as collateral at custodian's demands. Any attempt to sell the marked portion of collateral will result in a warning or an override message. Further, there is an automatic creation of position transfer which can be completed later by the users.

The `ILCOPM.COLLATERAL.POSITIONS` application is used for marking and unmarking the collateral positions. Marking refers to (pledging) while unmarking refers to the release. While marking, the bank will transfer out the positions to a different depository and while unmarking the positions will be transferred back to the original depository.

The following fields have been added to the `ILCOPM.COLLATERAL.POSITIONS` application:

- *Source Position:* This field stores the security position *Id* of the own book portfolios that is provided as collateral.
- *Target Sub Account:* This field is the sub account to which the nominal are transferred. This field allows only the records from the `SECURITY.POSITION` application of the selected *Sc Trading Position* field.

> **The topic related to this feature is given below:**
>
> Collateral Position Management

New Zealand Model Bank

Deposits » Reinvestment Instructions for Term Deposit

This functionality allow banks to capture the information related to the deposit reinvestment instructions and to change a deposit from maturity to rollover and vice versa. It allows users to define a new term, new rate and new interest schedule after the rollover.

The system will validate whether the change in the payment frequency and the payment method (CAPITIALISE (compounding) or PAY (non-compounding)) is within the period mentioned in the XNZ.ADDITIONAL.INFO.STAND.DOWN.PERIOD. The system allows the change if it is done within the stand-down period.

The system will do the validation with respect to the new rollover interest rate. The new rollover interest rate is updated at the arrangement level on the day of rollover. The new rollover interest rate could be the *Negotiated Rate* value or a *Periodic Index Rate* (carded rate).

The topic related to this feature is given below:

Deposits

Peru Model Bank

Accounts » TNA, TCEA and TREA Rates

This functionality allows banks to calculate the Annual Nominal Rate (TNA), Annual Effective Cost Rate (TCEA) and Annual Effective Yield Rate (TREA) rates from the Annual Effective Rate (TEA) rate when the TEA rate is defined as the principal rate of the product. This rates will be calculate with the APR routines set in the AA.APR.TYPE application. The new calculated rates will be displayed in the AA arrangement overview.

The topic related to this feature is given below:

Accounts

Customer Compliance

This functionality allows banks to store and amend the customer information in the customer creation process for both individual and corporate customers during the customer on boarding process.

The following items have been introduced as part of this functionality:

- The CUSTOMER,PEBASE.INDIVIDUAL version has been created to input the details of an individual customer.
- The CUSTOMER,PEBASE.CORPORATE version has been created to input the details of corporate customers.
- The PEBASE.DEPARTMENT, PEBASE.PROVINCE and PEBASE.DISTRICT applications with their respective versions have been created to store the data of the department, province and district of Perú.
- The PERSON.ENTITY,PEBASE.PROSPECT.INPUT and PERSON.ENTITY,PEBASE.ENTITY.INPUT versions have been created to register the data of personal references, spouse, legal

representative or shareholders that are not customers in the bank. These persons will be related with the customer through the `CUSTOMER.RELATIONSHIP,PEBASE.INPUT` version of the `CUSTOMER.RELATIONSHIP` application.

- The PEBASE.IND.CUSTOMER.NAU, PEBASE.IND.CUSTOMER.AMEND and PEBASE.CORP.CUSTOMER.AMEND enquiries have been created to search for individuals and corporate customers depending of the sector.

> **The topic related to this feature is given below:**
>
> Customer Compliance

Taxes » Tax on Financial Transactions (ITF)

As per the Peruvian laws, this functionality allows banks to apply a tax on financial transactions (ITF) on the operations carried out under different products (liabilities and assets) offered to its clients and the accounting thereof. The ITF tax applies to local (PEN) and foreign currencies (USD).

The following new products have been created for Peru: current accounts, savings accounts (savings and salary account), term deposits, personal loans, mortgage loans.

The ITF tax is calculated and applied to the following financial transactions:

- Savings and current accounts (cash deposits and cash withdrawals).
- Salary account (payments and withdrawals).
- Issue of cashier's check.
- Transfers between accounts.
- Loans (disbursements and repayments).
- Fixed term deposit (opening and redemption).
- Debit card (purchases through POS and cash withdrawals in ATM).

Truncation and rounding applies to every type of financial operation carried out through every channel (teller, home banking, internet, POS, apps).

The topic related to this feature is given below:

Taxes

Saudi Arabia Model Bank

Watheeq Services

This functionality allows banks to store the UIDN (Unified Identification Number) for the non–government agencies at the customer level. The UIDN will be received in the request and it will be validated and the relevant relation code will be sent in the header of the response. The secondary Id details received in the request will also be stored in Temenos Transact along with the primary *Id* details.

Also, banks are able to block or garnish the amount from the targeted accounts or target products and to lift the related restrictions done against the customer.

The following items have been introduced as part of this functionality:

- New fields are added to the `SAWATQ.BLOCKING.LIST` application to store the secondary *Id* and type details received in the request.
- The `SAWATQ.AA.BLOCKING.DETAILS` application is created to store the block and garnished deposit details.
- New fields are added to the `SAWATQ.PARAMETER` application to store the codes provided by SAMA for the validation of the UDIN and the details related to lifting requests.

> **The topic related to this feature is given below:**
>
> Watheeq Services

Tunisia Model Bank

Foreign Currency Operations » Import Documentary Collection

This functionality allows banks to link the pre-approved documents like Foreign Trade Title (TCE), information sheet, and F2 to the Letter of Credit (LC) for the import transaction while opening or issuing. When the TCE, information sheet, or F2 is linked, means that the LC amount is reserved against the TCE, information sheet, or F2. When the drawings payment is made for the LC, then the settlement amount will be updated for the respective TCE, information sheet, or F2.

The following versions have been introduced as part of this functionality:

- The `LETTER.OF.CREDIT,CDIS.TN` version is created with new fields to capture and validate the documents like TCE, F2, or information sheet for any amendment of the TCE, F2, or information sheet which is linked to the import documentary collection.
- The `DRAWINGS,INCOLLMA.TN` and `DRAWINGS,INCOLPMT.TN` versions are created with new fields to capture the TCE, F2, or information sheet at the time of drawings.
- The `TNFCOP.TRADE.PARAM,AVALIZED.LC` version is created to capture the avalized LC's.

> **The topic related to this feature is given below:**
>
> Foreign Currency Operations

Foreign Currency Operations » Import Documentary Credit

This functionality allows banks to reserve the related foreign trade title, information sheet, or F2 sheet while opening an Import Documentary Credit (IDC).

Once the Foreign Trade Title (TCE), F2, information sheet records have been linked at the time of issuance, the users can amend them through the amendment versions subject to the validations.

The followings provisions are provided subject to validations:

- Increase the amount to be reserved.
- Decrease the amount to be reserved.
- Delink or remove a TCE, F2, or information sheet.
- Add a new TCE, F2, or information sheet.

Based on the type of action performed during the amendment, the reservation amount will be re-calculated and it will be updated in the respective applications along with other details.

The following items have been introduced as part of this functionality:

- New fields are added to the `LETTER.OF.CREDIT,IMAMDINT.TN` and `LETTER.OF.CREDIT,IMAMDEXT.TN` versions to allow users to amend the records created at the opening phase.
- The `DRAWINGS,IMPSP.TN`, `DRAWINGS,IMPAC.TN`, `DRAWINGS,MXPYMT.TN`, `DRAWINGS,IMPMA.TN`, and `DRAWINGS,MXMAT.TN` versions of the `DRAWINGS` application are created with new fields to allow users to capture the documents like TCE, F2, or information sheet so that the amount that has been reserved can be settled.

The topic related to this feature is given below:

Foreign Currency Operations

Foreign Currency Operations » Outgoing Transfers

This functionality allows banks to initiate payments towards schooling or professional file as an ad-hoc payment or as a frequency-based transfer. While processing payments, the underlying transactions can be processed successfully or they can be rejected due to any errors. Accordingly, the system will handle the corresponding limit update and the users will be able to reverse or reject the transfers.

The topic related to this feature is given below:

Foreign Currency Operations

United States Model Bank

US Regulations » 50 State Regulations

Dormancy and Escheatment

Dormancy and escheatment has been enhanced based on review of 50 states regulatory requirements.

This functionality allows banks to manage the certificates of deposits escheatment evaluation scheduling based on the first maturity date, set different escheatment periods for single maturity and renewable certificates of deposits, manage IRAs escheatment processing in case of returned mail and deceased customers, state specific pre-dormancy notice generation periods and cease the dormant charges based on the state of residence.

The following items have been introduced as part of this functionality:

- The Dormant Accounts Search enquiry allows users to search for the dormant account based on the dormancy status/
- The Pending Escheatment Accounts and Deposits Search enquiry allows users to search for accounts which are scheduled for cut-off and filing evaluations based on the period or date of the scheduled evaluations.

The topic related to this feature is given below:

US Regulations

Retail

Arrangement Architecture » Component Based Credit Check Processing

In AA, the Balance Availability Property Class defines the component wise credit check balance. That is, for each debit activity, a bank user can specify the component for credit check. Currently, this is configurable only for debit activities triggered by a payment system. Apart from such debit activities, capitalisation and settlement activities also require credit check while processing.

To facilitate this, the Balance Availability Property Class is enhanced to administer credit check for capitalisation and settlement activities. These follow the Balance Availability configuration if the credit check is component based. Else, the system determines the credit check balance based on the existing logic. It uses this configuration to determine the available balance until which it can capitalise an interest or charge. This is applicable when the system is setup to capitalise until available balance and invoice the remaining interest or charge.

The topic related to this feature is given below:

Component based Credit Check Processing - Settlement, Capitalisation

Arrangement Architecture » Fixed Penalty Rate on Overdue Bills

AA allows to apply penalty interest by bills. For every period, the penalty interest is accrued and calculated bill-wise. When there is an interest rate change, the system uses the new rate to calculate the penalty interest across all overdue bills.

This feature enables the system to calculate the penalty interest by bills based

on a fixed rate per overdue bill. That is, when there is an interest rate change, the system applies the new rate only on the bills overdue after the rate change. The system continues to apply the old rate on the existing overdue bills.

A new custom interest calculation routine is used for this functionality. The bank user has to configure the Penalty Interest Property to use this routine for interest accruals and accounting.

> **The topic related to this feature is given below:**
>
> Fixed Penalty Rate on Overdue Bills

Lending and Deposits in AA » Risk Free Rates with Amount Compounding and New Flooring Options

When the principal component of a loan changes within the interest period, the banks prefer to prorate the accrued interest for the reduced amount without repaying the entire accrued interest on the loan amount. With new Risk Free Rates (RFR) rates trending lower than the Inter Bank offered Rate (IBOR) equivalents, it would be advantageous if the banks provide a flooring mechanism within RFR, where positive and negative rates are required as opposed to only zero flooring for IBOR.

Temenos Transact Lending and Deposits in AA now supports Risk Free Rate (RFR) processing with an amount compounding option. It also supports both positive and negative rate flooring along with the zero flooring option, which helps to apply an interest rate floor to the daily rate.

- The *RFR Calc Method* attribute in Interest Property conditions now has a new Amount option. This option (used along with a compounding methodology, margin treatment and other appropriate market conventions) supports balance compounding to arrive at the final compounded rate for calculation.

- The amount compounding (compounding the balance) method, compounds the interest by multiplying daily RFR rate with principal and accrued interest on any given day to calculate that day's interest accrual. This is a more accurate way of compounding interest when the principal changes during the interest period.
- The flooring related new attributes introduced in the Interest Product Condition helps to:
    - Place a floor on the underlying daily rate, if a single day rate is negative and the floored rate can be take into consideration for calculation. Or,
    - Place a floor on the overall average rate that has been calculated (where negative rates are considered when calculating the daily rate.)

The topics related to this feature are given below:

RFR Flooring Configuration

Flooring in Lending

Amount Compounding

Flooring in Deposits

Arrangement Architecture » Archival of Interest Accruals

Banks process multiple debit and credit transactions every day. This causes the account balance to change on a daily basis, which in turn has an adverse effect on the daily interest accrual amount calculated on this underlying balance. It also causes performance issues as the number of entries in the interest accruals record (`AA.INTEREST.ACCRUALS`) keeps increasing.

To prevent overloading of the `AA.INTEREST.ACCRUALS` application and to solve performance issues, the interest accruals are archived by moving the entries in the record in `AA.INTEREST.ACCRUALS` to the

AA.INTEREST.ACCRUAL.HIST application.

This archival of interest accruals is done based on the Period Start and Period End count in the AA.INTEREST.ACCRUALS table. The newly introduced *Archive Period* and *Retain Period* fields in the AA.PARAMETER application work based on the these set of fields. These fields indicate the stage at which the records are to be archived and the count of Period Start and Period End set of entries to be retained in the live table (AA.INTEREST.ACCRUALS).

The topics related to this feature are given below:

Archival of Interest Accrual Setup

- Lending
- Deposits
- Retail Accounts

Retail Accounts (AR) » Notifying Customer of Base Rate Change in Accounts

For an account with floating rate of interest, any future-dated floating rate change can be notified in advance to the customer. When a new BASIC.INTEREST record is created for a future dated floating rate change, the system triggers an Apply Rate Activity and schedules the future dated rate change activity. The customer can be notified in advance about this rate change by configuring a pre notice for this basic rate change.

The topics related to this feature are given below:

Advance Notifications for Floating Rate Changes

Advance Interest Rate Notifications

Notification of Customers on Base Rate Change

Technology

Design Framework

Temenos Workbench » Workbench Profile Setup

Temenos Workbench, the configuration tool for Temenos Banking Cloud, now provides all the latest configuration features with new extensibility capabilities that simultaneously controls the customizations through best practices.

To support standard and cloud-based implementation, Temenos Workbench introduced a profile mechanism that facilitates any non-Temenos managed SaaS client to select the Transact Standard or Transact SaaS profile to operate.

> **The topic related to this feature is given below:**
>
> Workbench Profile

Temenos Workbench » Supporting Adapter Framework Configuration Items

Adapter framework now provides standard adapter features as service to Temenos Enterprise applications to interface with external applications that don’t support event-based integration. A set of adapters are available in a template format, which can be used to design interfaces. Adapter Service provides various adapter end points to interface with external applications through synchronous and asynchronous interfaces. To keep the business microservice independently scalable, the Adapter service provides a scalable interface to meet the integration-related requirements. This feature supports the

configuration and packaging of the adapter framework configuration items.

> **The topic related to this feature is given below:**
>
> Adapter Framework

Temenos Workbench » Rendering the Configuration API Dynamically

Based on the profile selected, Temenos Workbench now provides the ability to dynamically render an editor by defining the end points in the Configuration API with GET/POST without query parameters that can be used for both UX and packager configuration.

This feature helps the bank to configure a new menu entry in Workbench, which is linked to Configuration API. Based on the Configuration API, editors are auto-generated.

> **The topic related to this feature is given below:**
>
> Rendering the Configuration API Dynamically

Interaction Framework

IRIS R18 » Authentication with Keycloak

In IRIS R18, a workbench designed using the Kony Visualiser and Fabric. The login screen is integrated with Keycloak for authentication. JWT token will be sent as part of the OFS request.

Now, the login screen is used to authenticate the user using Keycloak and

logout functionality is implemented. When an API is invoked with JWT token in authorisation header, the same token is sent as part of the OFS request for further authentication in Transact and with the new token.

> **The topic related to this feature is given below:**
>
> Authentication with Keycloak

IRIS R18 » IRIS Logger - Metrics on Grafana Dashboard

IRIS now supports to push the IRIS logs into the Grafana dashboard. You can write it in a file or push it into the dashboard based on the simple configuration in log4j2.properties file. This functionality enables to view the IRIS logs directly in a more organised way in Grafana dashboard instead of viewing it on a log file.

> **The topic related to this feature is given below:**
>
> IRIS Logger - Metrics on Grafana Dashboard

IRIS R18 » Resource Based Descriptions in Vocabulary

The vocabulary description for a key can be defined based on the resource given in the endpoint. IRIS now supports the user to define the vocabulary description of a property in swagger based on the resource provided in the API endpoint.

The topic related to this feature is given below:

Resource Based Descriptions in Vocabulary

Trade Finance

Letters of Guarantees (MD) and Trade Finance (LC) » Implementing SWIFT 2021 Changes in MT103 and MT202 COV

The SWIFT 2021 release addresses the changes in MT103 and MT202 COV messages, which are used in guarantees or standby letter of credit, and their business flow that generates the message from Temenos Transact.

As part of SWIFT 2021 changes, additional network validation rules are added, which must be applied when the following options are used:

- A line starting with numeric value '3' must be present.
- Numeric values such as 1, 2 and 3 can be repeated, however the same numeric value must not occur more than two times.

As per the existing validations in tag 59F, the following lines are populated in the fields available in `FUNDS.TRANSFER`:

- 1 - Name of the beneficiary – *Ben Name*
- /2 – Address of the beneficiary, if defined – *Ben Address*
- /3 – Country and town – *Ben Country and Ben Town*

Currently, *Ben Country* is only mandatory when *Ben Address* or *Ben Town* are specified. As /3 is mandatory based on SWIFT 2021, a new validation is added in `FUNDS.TRANSFER` to make *Ben Country* mandatory when *Ben Name* is specified.

In this enhancement, fields validations for option of F for tag 59 are introduced in the `MD.DEAL` to capture the details for the fields. Similarly in `DRAWINGS` wherein the payment message is triggered, the 59F tag is introduced.

The topics related to this feature are given below:

Sending MT103 and MT202 COV

Implementing SWIFT 2021 Changes in MT103 and MT202 COV

Treasury

Swaps » Lookback and Lockout Conventions for RFR Swaps

Overnight Risk-Free Rates (RFRs) are replacing LIBOR at the end of the year. The new LIBOR alternatives are backward-looking RFRs and the standard and preferred market practice is to compound these rates daily until a final rate is calculated by the end of a given interest period (that is, in arrears). The market has accepted this daily compounding of rates in arrears as the preferred method for derivatives, also known as Plain arrears. The cash market, however, has decided to adopt different conventions such as Lookback and Lockout, while using the RFRs.

The SWAP module is now enhanced to support Lookback and Lockout market conventions to enable hedging of cash products such as loans and deposits. It also supports processing of increase (accreting) or decrease (amortising) the notional principal for RFR swaps.

The topics related to this feature are given below:

SWAP.TYPE

Layout of IRS Deal Capture screen

I Technical Notes

Banking Framework

Limits & Collateral Management » Limits & Collateral Management – System-wide Jobs for COB Efficiency

The following jobs have been modified to run as TSA.SERVICE.COB at application stage rather than being run within the COB process.

- EOD.STOCK.ARCHIVE
- DC.PURGE
- CO.REPORT.EXCEPTIONS

Few system-wide jobs have been merged into different composite jobs as follows:

- The LIMIT.END.OF.DAY composite job has been added that executes the following jobs as actions for the account as applicable. The following composite jobs select the records from `LIMIT`, and execute each action only when the limit is applicable to be processed under respective action.
  - LIMIT.UTILISE.REVAL
  - COLLATERAL.REQD.UPD
  - COLLATERAL.LIMIT.EOD
  - CO.REBUILD.ALLOC.PRIORITY
  - UNUTILISED.LIMIT.SWEEP
- The COPOOL.END.OF.DAY composite has been added that executes the following jobs as actions for the `COLLATERAL.POOL` as applicable. The following jobs select the records from `COLLATERAL.POOL` and execute each action only when the pool is applicable to be processed under respective action.
  - COLLATERAL.POOL.EOD
  - CO.RECALC.SUFFICIENCY.RATIO

Private Wealth

Securities » Securities – System-wide and Application-wide Jobs for COB Efficiency

Various system-wide Securities (SC) jobs have been merged to run as a single master job. The SC.EOD.SECURITY.MASTER master job selects and processes the records from `SECURITY.MASTER`. The following jobs are merged and executed as actions under the SC.EOD.SECURITY.MASTER job.

- SC.SOD.RECALC.PRICES
- SC.CALC.YIELD.CON
- EOD.SCINDICES.UPDATE
- SC.PE.POST.MGMT.FEES
- SC.PE.POST.MGMT.FEES.POST

The SC.REVAL.PROCESSING.POST job have been moved from application wide to system wide and group under SC.EOD.SEC.ACC.MASTER master job.

Various application-wide Securities (SC) jobs have been merged to run as a single master job. The SC.APP.SECURITY.UPDATE master job selects and processes the records from `SECURITY.MASTER`. The following jobs are merged and executed as actions under the SC.APP.SECURITY.UPDATE job.

- SC.CLEAR.CASH
- SC.UPDATE.SUPP
- SC.SEC.TIME.SERIES.UPDATE

The following list of jobs have been defined as COB Scheduler (TSA.SERVICES.COB) under SC.SYS.AUTO.UPD batch:

- SC.EOD.BLK.RECS
- SC.CLEAR.RECLASS.WRK
- SC.UPD.PORT.DORM.STATUS

> **NOTE:** Each action is performed for the records, only when the criteria for the respective action is fulfilled.