What's New in

Regulatory Compliance

February 2022

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|Release Highlights

Regulatory Compliance

Customer Data Protection » Excluding Erased Customer Records from Customer Enquiries

Temenos provides an erasure process to anonymise customer data after bank-defined timeframes. The functionality provides the ability to identify these erased customer records, exclude them from customer-related enquiries and not return anonymous results in the outputs.

> **The topic related to this feature is given below:**
>
> Identifying Erased Customer Records

Legal Entity Identifier » Third Party LEI Validation

The LE module capability allows a fully configurable rules that enables a financial institution to identify the eligible transactions and relevant parties qualifying for a LEI check under MiFID II.

Additional capability is enabled as part of this enhancement to allow a third-party LEI (not necessarily a customer of a bank) who is involved in the transaction scoped under MiFID II to be validated as part of the LEI check.

> Click here to understand the technical impact of this enhancement for customisation and upgrades.

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

Definition of Default Rules » Monitoring Probation Period to Assess Obligor's Behavior

The EBA guidelines on the Definition of Default stipulates that the assessment of an obligor should be performed before reclassifying defaulted exposures back to non-defaulted status.

Before an obligor is moved from default to non-default status, banks can now apply and monitor the probation period to make sure that they have sufficient time to assess or monitor a defaulted obligor's behavior over a specified period, before the obligor's status returns to non-default.

This functionality is applicable to an obligor, when a Days Past Due (DPD) or Unlikeliness to Pay (UTP) default status or both are cleared due to the improvement of the credit quality. During the probation period, the obligor is still considered to be in default.

A longer probation period is applicable, where the obligor is subject to distressed restructuring, and a standard probation period is applicable in other cases. The bank can choose to manually or automatically remove the probation default status after the probation period is completed. During the probation period, that is, before the probation period is completed, if a new DPD default or UTP default flag is set, then the system clears the probation default flag automatically with an override. If after the probation period, the bank concludes that the obligation is unlikely to be paid in full, the obligor should continue to be classified as defaulted.

The topic related to this feature is given below:

Application of Probation Period

|Technical Notes

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Legal Entity Identifier » Third Party LEI Validation

A sample API, LE.SAMPLE.THIRD.PTY.IDENTIFIER, is available within LE to determine the type of the third-party field value. This API is attached to the *THIRD.PTY.ID.API* field in `LE.ELIGIBILITY.PARAM` to identify the type of validation needs to be executed when a third party is involved.

The arguments of this API are,

- ThirdPartyId (INOUT, mandatory) – The third-party reference ID sent to the API and returned with either the Customer Number or the LE Identifier
- Application (IN, optional) – The application for which the third-party API is used.
- ThirdPartyField (INOUT, optional) – The third-party field for which the API logic is applied.
- TpIndication (OUT, mandatory) – Returns one of the below values after performing the logic.
    - CUS - Customer
    - LEI - LE Identifier (where the customer reference is not available)
    - NA - Any other values (where no check is required)

- Reserved one (reserved arguments for future use)
- Reserved two (reserved arguments for future use)