



Deals Processing User Guide

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11AM Contracts

Typical Deal Life Cycle.

When entering into an 11am Money Market contract the typical processing cycle would entail the following;

- Enter into new 11AM Borrow or Lend trade,
- Next day, Repay (Settle/Close) trade. (Interest can be paid, accumulated or capitalised) or alternatively,
- Roll/ Renegotiate trade to future date. (Interest can be paid, accumulated or capitalised)
- If interest has been capitalised it would typically be paid at final maturity or on a statement basis (usually month end).

The following steps outline each of the above scenarios.

Entering a New 11AM Trade

When the *New Money Market Contracts* dialog box appears on the screen most of the entry boxes are blank with data to be entered by either using the drop down boxes provided or clicking the entry box and typing in the necessary information.

New Money Market Contract

Dealing | Settlement | Diary notes

Contract Details

Docket * [] Unit * [] Internal Contact * [Mr Andrew Sacco (Consultant)]

External Reference [] Institution * [] External Contact * []

Trans. Type * [11am] System Group [] Facility []

Trade Details

Days * [1] From * [20/01/2004] To * [21/01/2004] Acceptor * []

Borrow Lend

Currency * [AUD] Amount * [0.00] Rate * [0.0000%] Benchmark [0.0000%] Margin [0.0000%]

FID [0.00] Tax: [0.0000%] Special Fee []

Interest: [0.00] Withhold Amt [0.00]

Contract Deal details

Next OK Cancel Help

The boxes that appear yellow in colour contain data already stored in a database. This type of data can be updated by double clicking the yellow coloured box. A new screen will appear allowing entry of a new item in that area of the system database. For example, if you wish to add another Institution to the list already contained in your database, you would double click the yellow coloured box labelled Institution,.

Contract Details

The contract details area of the input screen is where you define with whom and what type of transaction is to be entered.

The screenshot shows a form titled "Contract Details" with the following fields:

Docket *	Unit *	Internal Contact *
<input type="text"/>	<input type="text"/>	<input type="text" value="Mr Treasury Analyst"/>
External Reference	Institution *	External Contact *
<input type="text"/>	<input type="text"/>	<input type="text"/>
Trans. Type *	System Group	Facility
<input type="text"/>	<input type="text"/>	<input type="text"/>

Docket

The first entry box appearing on the New Money Market Contract dialog box is the Docket box. Although the Docket box is yellow in colour, this particular box does not contain a database that is activated when double clicked. When the Docket number is double clicked the next docket number appears in the box. This docket number is system generated, and will automatically use the next number after each entry is made.

The Docket box can also contain any desired number entered rather than double clicking and using the system number. For example, if an organization has numbered dealing dockets and wish to have these numbers used for recording money market transactions, simply click once on the Docket box and type in the dealing number.

Unit

The Unit drop-down box contains a list of all the units associated with any of the money market transactions. To activate the Unit drop-down box, click the down arrow that appears to the right of the entry box and select the desired Unit.

External Reference

A free format field where any reference supplied by the external party to the contract can be entered. This is a non-mandatory field.

Institution

The next drop down box situated to the right of the Docket box is the Institution drop-down box. To activate the list of Institutions contained in the system, click on the down arrow which appears to

the right of the Institution drop-down box and a list of Institutions will appear.

As mentioned, the Institution drop-down box has the ability to activate the Institution database by double clicking on the yellow coloured box and the Institution entry dialog box will appear.

External Contact

The contacts appearing in the drop-down list will relate to the Institution selected. For example, if the Commonwealth Bank is selected as the Institution, on the contacts stored with the Commonwealth Bank will appear in the Contacts list.

As with the Institution drop-down box, the Contact drop-down box has the ability to activate the Contacts database by double clicking on the yellow coloured box and the Contact entry dialog box will appear.

Transaction Type

The Trans Type drop-down box contains a list of all the different types of transactions that are available in the Money Market Module. This list was originally prepared from the Transaction Type function.

To activate the list of transaction types contained in the system, click on the down arrow that appears to the right of the Type drop-down box and a list of transaction types will appear.

When the transactions were first entered in the Transaction Type function, a number of default days were entered. These default days will determine the number of days that is displayed in the *Days:* entry box on the New Money Market Contract dialog box. For example, if the transaction type of 24hr Call is selected from the drop-down Type box, the *Days:* entry box will display '7'.

The number that appears in the *Days:* entry box can be changed by placing the cursor on the white entry box, holding down the mouse button and dragging the cursor over the default number. This will turn the entry box to a black colour. Simply type in the amended number of days for the transaction.

Notice that as well as the *Days:* entry box automatically displaying the default days as per the Type selection, the *To:* date entry box automatically updates the maturity date based on the number days displayed in the *Days:* entry box.

If the *Type:* selection is for a Security a Proceeds default box will appear on the New Money Market Contract dialog box. When Rate, Amount, From and To dates have been entered into the system, this

default box will contain the proceeds amount of the Security being bought or sold.

System Group

This drop down box contains a list of all the different System Groups. These groups are primarily used for reporting purposes and allow you to group together any number of otherwise unrelated transactions from all modules within the system.

To select a Group from those that are stored in the Group Database, click the drop down box and a display of those Groups contained in your database will appear. If the System Group name is not listed in the drop down box, double click the cyan coloured box and the Systems Group entry dialog box will appear.

Facility

To manage the different Bill or Security facilities within CTM, the Facility drop-down box displays all the active facilities in place within the system. New Bill and Security lines can be entered or amended to any of the existing facility lines.

To activate the *Facility:* drop-down box, click the down arrow located to the right of the entry box and a list of facilities will appear on the screen. Click the desired Facility.

As the *Facility:* drop-down box is yellow in colour, a database is attached to the drop-down box and to activate the Facilities database, double click the entry box and the database dialog box will appear.

Trade Details

The trade details section of the screen is where the actual details of the trade are defined. This section of the screen is dynamically updated depending on the transaction type selected in the contract details section of this screen. The example below is for an 11AM transaction.

Trade Details

Days *	From *	To *	Acceptor *
1	20/01/2004	21/01/2004	
<input checked="" type="radio"/> Borrow <input type="radio"/> Lend	Currency *	Amount *	Rate *
	AUD	0.00	0.0000%
			Benchmark
			0.0000%
			Margin
			0.0000%
FID	Tax:	Special Fee	
0.00	0.0000%		
	Interest:	Withhold Amt	
	0.00	0.00	

Days

As mentioned above in the Type: drop-down box, the *Days:* entry box is usually entered via the *Type:* selection of the Transaction Type. The number of days is the default found in the Transaction Type facility. The days can however be changed to whatever number of days which relates to the money market transaction being entered. For 11AM this defaults to 1 day.

To change or amend the number of days shown in the *Days:* entry box, move the cursor to the white entry box, click and hold down the mouse button and drag the cursor over the existing number. This turns the white box to a black colour, then type in the required number of days relating to the transaction.

From/To

The From and To data entry boxes which appear on the dialog box are to enter the starting and ending dates for the particular transaction. When the New Money Market Contract dialog box first appears on the screen, the From date contains today's date. As mentioned above, the To date is a product of the *Days:* number and the From date.

For example, if the From date is the 6th of June 1996, and the number of *Days:* entry box is '1', the To date entry box will automatically display the 7th of June 1996. Likewise, if the To date entry box were changed to the 13th of June 1996, the *Days:* entry box would display the number of days as '7'.

If the From and To data entry boxes require changes or modifying, place the cursor on the white entry box for the required change and click the box, holding down the mouse button and drag the cursor over the date displayed.

This will cause the white box to change to a black appearance. Type the new or modified date into the entry box.

Click the OK button and the system will allow the incorrect entry to be amended.

Acceptor

This field is not available for 11AM transactions.

Borrow/Lend

Situated directly below the Days: entry box are two option buttons for selection of Borrow or Lend facility. Depending on whether the money market transaction is for a borrowing or for a lending deal, will determine which of the two options are selected.

With the option buttons, one of two choices can be made, either the Borrow option is clicked and a black dot appears in the small white circle, or the Lend options is selected and a black dot appears in the small white circle next to the Lend heading. Selecting one of the options, automatically de-selects the other.

Currency

Located to the right of the Borrow/Lend option buttons is the *Curr:* drop-down box. This drop-down box contains a list of all the currencies which have been entered into the system through the **Currency** facility in the Money Market Module.

This list of currencies is separate from the Currency List which is stored in the Foreign Exchange Module. Therefore, just because a currency title may appear in the Foreign Exchange Module, does not mean it will also appear in the Money Market Module. Both Modules must have their respective Currencies entered separately.

To enter a new currency title or amend an existing title, double click on the yellow coloured entry box and the Currency database will appear on the screen for updating.

Amount

The amount of the money market transaction is entered directly into the Amount entry box. It is possible to enter the full amount of the transactions, i.e.. 5,000,000.00 or an abbreviated version of 5m can also be entered with the same result. In the case of 500,000.00, the abbreviated version of 5k can be entered to have the same effect.

Once the 5m or 5k are entered, as soon as another box within the dialog box is selected, the full amount of \$5,000,000.00 or \$500,000.00 will appear in the entry box.

To change an amount already entered in the Amount entry box, simply place the cursor on the right of the white box click and hold down the mouse button and drag the cursor over the number. This will cause the box to turn black in colour, at this point type in the new amount.

Rate

The interest rate applicable to the money market transaction is entered in the Rate entry box. The rate input box contains a formatting which will convert the number entered to a percentage. The '5' entered in the Rate input box will be displayed as 5.0000%.

To enter the rate for the money market transaction, place the cursor in the right hand of the white Rate box, click and hold down the cursor and drag the cursor to the left over the width of the white box. This procedure will cause the box to become black in colour. The next step is to type in the rate relevant to the transaction.

Benchmark

This is an optional field and can be left as zero. If a figure is entered here the margin field will automatically be calculated. Note: The benchmark and margin fields will add to the Rate.

Margin

This is an optional field and can be left as zero. If a figure is entered here the benchmark field will automatically be calculated.

FID

If the particular money market transaction attracts Financial Institutions the rate will be displayed here.

Tax

If the particular money market transaction, which is being entered into the system, has a foreign currency base, the Foreign Details of *Tax* will become selectable. If the money market transaction being entered is in Australian Dollars, this entry box will remain greyed or de-activated.

Special Fees

Select from the available listing of institutions and fee types that may be applicable to this trade.

Interest

The interest amount will automatically be calculated based upon the amount rate and number of days.

The Settlements Tab

The settlements tab allows you to define the method of payment or receipt of funds and the relevant bank account details.

The screenshot shows a dialog box titled "New Money Market Contract" with two tabs: "Dealing" and "Settlement". The "Settlement" tab is active. The "Settlement Details" section contains the following fields:

- Authorised Officer 1: A drop-down menu with "Mr Treasury Analyst" selected.
- Authorised Officer 2: An empty drop-down menu.
- Account: An empty drop-down menu.
- Settlement Instructions: A drop-down menu with "Other" selected.
- Other Settlement Instructions: A large empty text area.
- Settlement Type: An empty text box.
- Settlement Code: An empty text box.
- Comments: A large empty text area.
- Cheque requisition form:
- Confirmation section with three radio buttons: "None" (unselected), "Print" (unselected), and "Preview" (selected).

At the bottom of the dialog box are four buttons: "Next", "OK", "Cancel", and "Help".

Authorised Officer

Located in the Settlement Details area of the dialog box are the entry boxes for settlement items. The first of these details is the Authorised Officer drop-down box. To activate this drop-down box, click the down arrow situated at the right of the entry box. A list of Internal Contacts and the User who lodged on to the system will be displayed in the box. There is two drop down boxes for a possible two authorised Settlement Officers. This list has been compiled from the **Internal Contacts** database that is stored in the **Admin** module.

Account

The next item in the Settlement Details section of the dialog box is

the Accounts drop-down box. The Account is linked to the Cashbook in the Banking module. To activate this drop-down box, click the down arrow situated at the right of the entry box. A list of Bank Accounts will be displayed in the box. This list has been compiled from the **Accounts** database that is stored in the **Admin** module.

Settlement Instructions

Two options are available: Standard Settlement Instructions (SSI), configured through the 'Admin, Parties, Institutions' menu item, and Other, used when Standard Settlement Instructions are not configured or not enabled. When SSI is enabled and selected, standard values for Settlement Type and Settlement Code are selected based on the transaction type and institution.

Settlement Type

Standard values of Settlement Type are Austraclear, BITS, Swift, and Physical. The Settlement Type may be used for integrated settlement, or may be used for documentation only.

Settlement Code

Settlement Codes are used for interactions with clearing houses such as Austraclear and Swift.

Other Settlement Instructions

A free-form text entry field

Comments

Enter any *free-form* comments or messages that need to be included on the Confirmation in the Comments entry box.

Cheque Requisition Form

When the **Cheque Requisition Form** is click, a Cheque Requisition Form will appear on the screen for printing.

Confirmation

The Confirmation is situated at the bottom of the dialog box, with the option of selecting from the options of **None**, **Print** and **Preview**. When the dialog box is first opened on the screen, the Preview check box is selected.

- **None** is selected when no deal confirmation is required.
- **Print** is selected when the user would like to print a confirmation of the contract just created.
- **Preview** is selected when the user would like to view the confirmation prior to printing.

Function Buttons

The final four buttons located on the New Money Market Contract dialog box are the **Next**, **OK**, **Cancel** and **Help**.

- The **Next** button accepts the details in the dialog box and updates the main database with the new transaction and leaves all the data in the dialog box for the next entry. The **Next** button is useful if a number of money market transactions need to be entered into the system at one time. In most cases, most of the data is similar to each contract and the **Next** facility speeds up the entry of transaction input.
- The **OK** key accepts the details entered in the dialog box and presents the user with the Confirmations screen where the details of the transaction are summarised ready for processing.
- The **Cancel** button cancels the dialog box and returns to the main dialog box.
- **Help** takes the user to the interactive on-line help system.

Money Market - Renegotiate Contract

The Renegotiate function allows the user to renegotiate existing cash type money market transactions.

Before selecting the **Renegotiate** button it is important that the desired contract from the Contract drop down box is selected. If the Contract selected from the drop down box relates to a Security Type transaction, the Renegotiate button will be greyed out or deactivated.

Renegotiate Money Market Contract

Dealing | Settlement

Contract Details

Docket * MM-00000007 Unit * Export Division Internal Contact * Mr Treasury Analyst

External Reference Institution * ANZ Banking Group Limited External Contact *

Trans. Type * 11am Cash System Group Trading Portfolio Group Facility

Trade Details

Tax: 0.00% Days * 1 From * 02/12/2002 To * 03/12/2002 Acceptor *

Bank Ref. Borrow * Lend * Currency * AUD Amount * 300,182.72 Rate * 5.0000% Movement * 0.00

Special Fee Interest Basis * Accumulate Interest: 1,393.67

Margin 0.0000% Benchmark 0.0000% Renegotiation E

OK Cancel Help

This dialog box will contain that information which is normally changed as a result of a renegotiation. These items are:

- Internal Contact
- External Reference
- External Contact
- Days
- To Date
- Amount
- Rate

- Movement
- Interest Basis
- Special Fee
- Authorised Officers (Located on Settlements tab)
- Comments (Located on Settlements tab)

Enter the number of **Days** to Roll the contract for. This will automatically update the **To** date field.

With the **Amount** input box it is possible to enter the full number in the box, such as \$5,000,000.00 or you can enter an abbreviated version, 5m. In the case of \$500,000.00 the abbreviated version would be 5k.

The user also has the option to roll/renegotiate the entire amount of the original trade or only a portion. By entering a lesser amount than the original face value will automatically calculate the **Movement** field. Any additions or reductions in the face value will generate the appropriate cashbook entries.

The **Rate** input box contains a formatting that will convert the number entered to a percentage. The number '5' entered in the Rate input box will be displayed as 5.0000% and used for calculations if a confirmation of the renegotiation is required.

Interest Basis

It is also possible to Accumulate , Capitalise or Pay the interest which has accrued on the renegotiation. See the sections below on Closing a trade and Contract Interest for more details on how interest can be paid

Function Buttons

- **OK** - When all the details in the Renegotiate Money Market Contract dialog box are completed, click the **OK** button to accept the entry. The renegotiation will be written to the database.
- **Cancel** - Will return you to the main Money Market contract screen.
- **Help** - Launches the on-line Help system

Money Market - Close Contracts

Once a deal has reached its maturity and is not going to be rolled or renegotiated it is this screen that allows users to select which deals will be settled.

A listing of all deals awaiting settlement will be displayed detailing the transaction details.

The user moves down the list clicking on the 'Confirm' field for any deal that requires settlement. Additional *Close Instructions* can be added at this point by clicking on the Close Instructions field and typing in your instructions. These will appear on the settlement confirmation.

Close Contracts

Confirm which Contracts are to be settled. Settlement notes may be entered as settlement instructions.

	Contract	Confirm	With	Amount	Type	From	To date	Close instructions
▶	MM-00000007	<input checked="" type="checkbox"/>	BNPM	\$4,000,000.00	24hr Call	09-Jun-98	17-Aug-98	
	MM-00000009-A	<input type="checkbox"/>	ANZM	\$5,000,000.00	11am Cash	11-Sep-98	14-Sep-98	
	MM-00000010	<input type="checkbox"/>	BNPM	\$4,550,000.00	Bank Bills	01-Sep-98	30-Nov-98	
	MM-00000011	<input type="checkbox"/>	SSBT	\$5,000,000.00	CP - Dealer	14-Sep-98	14-Dec-98	
	MM-00000012-A	<input type="checkbox"/>	ANZM	\$1,000,000.00	11am Cash	11-Nov-98	12-Nov-98	
	MM-00000013-A	<input type="checkbox"/>	ANZM	\$1,000,000.00	11am Cash	08-Apr-99	09-Apr-99	

Authorised Officer 1: Authorised Officer 2: Interest Payment Basis:

Print Cheque Requisition

Authorised Officer 1 & 2

These are the signatories that will appear on the settlement confirmation. How they are displayed is dependant on the System set-up which should already be defined.

Interest Payment Basis

Used to determine how interest is calculated and paid for Interest Bearing contracts:

- **Pay Interest** - interest is paid each time a contract is rolled/extended and also on maturity.
- **Accumulate** - interest is paid at a later date, typically end of month or statement date, rather than when a contract is rolled or matures. See the section below for details of interest payment.
- **Capitalise** - similar to Accumulate above, although for the basis of calculating interest the accrued interest is notionally added to the principal to compound the interest.

This field defaults as per the *Transaction Type* set-up but can be over-written at point of settlement.

Print Cheque Requisition

If a requisition is required for the drawing of a cheque the selection of this field will print the requisition.

Function Buttons

- **OK** - When all required deals have been chosen for settlement, select the **OK** button and settlement will occur.
- **Cancel** - If the contract selected for settlement is not the correct contract, click the **Cancel** button and the screen will return to the Money Market Contracts dialog box.
- **Help** - Launches the on-line Help system

Money Market - Contract Interest

Sometimes, a manual Money Market Interest Payment is necessary at the end of the month, to pay out any outstanding accrual interest. To activate the payment form, you need to click on the main tool bar, Money Market/Interest Payments. This will load the following form.

Reneg	From	To	Days	Interest	Cashbook Record	Select
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Docket

The first entry box appearing on the Money Market Interest Payment dialog box is the Docket field. This field has a list of all Money Market contracts that have pending interest that is either paid or not paid. Selecting a Docket will display all its interest accrual details.

Date

The *Date* field allows the user to type in a payment date.

Contract Filter

Select from the three available options;

- **All Contracts** - Will include all contracts in the Interests Grid.
- **Paid Contracts** - Only contracts that have had their interest payments made will appear in the grid.
- **Unpaid Contracts** - Only contracts that have unpaid interest payments made will appear in the grid.

Interests Grid

This field displays a list of pending interest for the selected Docket. To pay out the interest, you need to select it by putting a tick in the "Select" column.

When you are done, click on the **Ok** button to pay the interest to the Cashbook. **Note:** If interest has been paid before, this will not be included in the current payment.