temenos

What's New in Regulatory Compliance

August 2023

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Key Features

The following are the key features of 202308. For the list of Reference Business Process, click **HERE.**

Bilateral Corporate Facility and Drawings

According to the IFRS9 financial standards, it is now possible to classify and measure bilateral corporate facilities and their drawings, as well as apply impairment assessments. Click here to read the full story 🔗

Release Highlights

Regulatory Compliance

IFRS9 Financial Instruments » Bilateral Corporate Facility and Drawings

According to the IFRS9 financial standards, it is now possible to classify and measure bilateral corporate facilities and their drawings, as well as apply impairment assessments. The IFRS9 financial standards allow the following actions to be performed on bilateral corporate drawings:

- **Classification and Measurement**: Allows to classify these facilities and drawings under one of the three IFRS9 classifications, namely Amortized Cost (AMC), Fair Value through Other Comprehensive Income (FVOCI), or Fair Value through Profit or Loss (FVPL).
- **Expected Credit Loss (ECL) and Impairment**: Enables the calculation of Expected Credit Loss (ECL) and the implementation of impairment assessments for these facilities and drawings.
- **Modification or Derecognition**: Allows to apply quantitative tests to modify or derecognise these facilities and drawings, following the guidelines of IFRS9.
- **Takeover from External Systems**: Provides the capability to transfer bilateral corporate facilities and their drawings from an external system to the Transact system.

> Click here to understand the installation and configuration updates for this enhancement.

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

The topics related to this feature are given below:

Bilateral Corporate Facility and Drawings

Modules Supported by the Temenos IFRS9 Solution

Acct Head Types

Modification and derecognition of a financial instrument

Example - Non-Substantial Modification

PSD2 Account Information » Retrieving the List of Beneficiaries based on Consent

PSD2 in Temenos Transact allows the TPP to retrieve and display the list of beneficiaries to the Payment Service User (PSU) based on a valid consent. Account Consent Management (AIS) supports the returning of the beneficiary list according to Berlin Group Standards.

The topics related to this feature are given below:

Additional Consent Type

Allowed Consent Types under Berlin Group

Get Trusted Beneficiaries

Installation and Configuration Notes

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IFRS9 Financial Instruments » Bilateral Corporate Facility and Drawings

IFRS provision calculation and posting is enabled for Facility contracts under the PV module.

The following points are to be noted during non-substantial modifications on contracts.

- On non-substantial modifications to contracts, when MODIFICATION.GAIN.LOSS accounting head is configured in `IFRS.ACCT.METHODS` and `IFRS.POSTING.DETAILS`, the NPV difference is recognised in the separate PL category.
- If the MODIFICATION.GAIN.LOSS accounting head is not configured, then on non-substantial modifications, the NPV difference is recognised to the PL category corresponding to the AMORTISED accounting head.
- When the I9 license code is present in the `COMPANY` record, MODIFICATION.GAIN.LOSS accounting head is available in `IFRS.ACCT.METHODS` and `IFRS.POSTING.DETAILS`.
- On non-substantial modifications to contracts, the *Modification Date*, *Ifrs Event*, *Npv Previous Cashflow*, *Npv Current Cashflow*, *Modification Percent*, *Modification Gain Loss*, and *Modification Status* fields in `EB.CASHFLOW` record are updated.

Technical Notes

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IFRS9 Financial Instruments » Bilateral Corporate Facility and Drawings

The following are to be noted while configuring the MODIFICATION.GAIN.LOSS accounting head.

- MODIFICATION.GAIN.LOSS accounting head is posted with the NPV difference calculated at EIR. For FVPL and HYBRID kind of configuration, the *Npv Rate* field of `IFRS.ACCT.METHODS` record will not be EIR for any of the accounting heads and the EIR field is not updated in `EB.CASHFLOW` record.
- Hence MODIFICATION.GAIN.LOSS accounting head configuration is not applicable for FVPL and HYBRID classifications.