temenos

What's New in Temenos Transact

October 2023

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Key Features

The following are the key features of 202310. For the list of Reference Business Process, click **HERE.**

APPLICATION FRAMEWORK

Configuration of COB Jobs for Improved Performance

The service framework now allows a preselect for jobs and processing before completion of select.

Click here to read the full story 🔗

Handling Event Delivery Failures

The failed events can now be re-delivered to the respective topic after running the MS.EVENTS.CATCH.UP service whenever the KAFKA connectivity is re-established.

Click here to read the full story 🔗

BANKING FRAMEWORK

Reporting Revaluation PL with Central Reporting File Attributes

The revaluation process is enhanced to report the profit or loss originating from foreign currency asset and liabilities revaluation, using the same attributes as the corresponding asset and liability being revalued.

Click here to read the full story 🔗

Customer Closure

This functionality enables the user to close or exit the customer after performing the pre-closure checks on the non-financial data and financial relationship of the customer. This ensures that customer data is removed from non-financial records and the financial relationship of the customer is closed before exiting the customer.

Click here to read the full story 🔗

Non-Monetary Foreign Currency Asset Management

Fixed Asset Management now provides complete financial control over Non-Monetary Foreign Currency Assets throughout its life cycle from acquisition to liquidation.

Click here to read the full story 🔗

Supporting ISO20022 CBPR+ 2023 Outward and Inward Drafts

This functionality enables:

- Drawer banks to send counterpart advice (camt.107/MT110 messages) during issuance of foreign currency drafts and also to notify the counterpart (camt.108/MT111 messages) to cancel or stop payment of draft.
- Drawee bank to receive the draft notifications (camt.107/MT110 messages), stop payment requests (camt.108/MT111 messages), and send response (camt.109/MT112 messages) for stop payment request.
Click here to read the full story 🔗

Balance Configuration for NSF Processing

The NSF Processing functionality is enhanced to configure the start balance type to:

- Include active holds and exclude a debit item from calculating the running balance.

- Update the funds and charge decision as approved and waived for subsequent debit items.

- Emit business events during the evaluation process.
Click here to read the full story 🔗

ISLAMIC BANKING

PDS Data Capture

The `ID.PDS.ACTION.CAPTURE` application now captures the Transaction counts for Mudaraba savings and the principal amount changes for the Mudaraba deposit to recalculate the profit amount upon early maturity of the deposit.
Click here to read the full story 🔗

REGIONALIZED SOLUTIONS

Australia

Role Based Home Pages

This functionality allows banks to view the future dated interest conditions, date of the split or merge for loans, future dated schedule conditions, flexible repayment options and product change history in the Lending Overview screen.

Click here to read the full story 🔗

China

Lending

This module allows banks to link multiple agreements to a single limit, define agreement information like loan products allowed, purpose, benefits, industry, currency, begin date, end date, and regulatory related details. Using this module, banks are able to capture the additional information required under agreements, like tenor type, investment information, facility purpose, etc. through the new property records released.

Click here to read the full story 🔗

Daily Matching Enquiry

This functionality allows banks to display the in-balance and off-balance sheet entries summary and details by branch and user, the summary by currency, items, debit counts, debit amount, credit count, credit amount and entry details.

Click here to read the full story 🔗

Mexico

Customer Regulatory Requirements

This functionality allows users to capture specific information related to Mexican customers in Temenos Transact with the relevant fields and validations.

Click here to read the full story 🔗

United States

Day 2 Review Process of Stop Suspect

This functionality allows banks to take a PAY or RETURN decision on transactions which are classified both as Stop Suspect as well as NSF. Click here to read the full story 🔗

PRIVATE WEALTH

Generating SWIFT MT306 for Exotic Options

The Derivative module now supports the generation of MT306 message as per SWIFT 2023 standards. This message is exchanged by or on behalf of the institutions or corporates which have agreed to a foreign currency option contract.

Click here to read the full story 🔗

Add-on Periodical Fees

For specific assets, the banks can charge an additional advisory or safe custody fee, over and above the standard fees for the portfolio.

Click here to read the full story 🔗

RETAIL

Capitalisation of Bills

Temenos Transact now allows the lender to capitalise the due bills based on the request from the borrower and restructure future repayment schedules as per the new principal amount.

Click here to read the full story 🔗

EXTENSIONS AND CONFIGURATION

Packager Health Check Tooling

The APIs such as Packager Health check API and Packager About API are introduced in Temenos Packager.

Click here to read the full story 🔗

USER EXPERIENCE

Supporting Fastpath in Nofile Enquiries

The Nofile Fastpath enquiry is supported in UXPB to design an enquiry that allows the primary key of any application used in the routine to be exposed in the enquiry design.

Click here to read the full story 🔗

INFRASTRUCTURE MICROSERVICES

Query language for NOSQL Based Microservices

Microservice Framework enhances the query parameters passed in the API to form a criteria object that helps to fetch the database records.

Click here to read the full story 🔗

End user Management Flow Authentication and Authorization Requirements

Microservices can identify the source of the request (internal or external user) by verifying 'roleid and iss' claims passed in the JWT token.

Click here to read the full story 🔗

Release Highlights

Application Framework

System Core » Configuration of COB Jobs for Improved Performance

The service framework is enhanced with the below features:

- **Allow a preselect for jobs** - A job can now be identified to benefit from one of the similar select done by another job. This allows the parent job to do a select once and reuse the selected keys multiple times.
- **Processing before completion of select** - A job can now decide to avail the facility of a head start with processing without having to wait for the select to complete. This means the agents allocated to the service can be better utilized compared to earlier by parallel execution of select and processing.

> **The topic related to this feature is given below:**
>
> Configuration of COB JOBs for Improved Performance

System Core » Handling Event Delivery Failures

It is possible that the KAFKA topics are not reachable owing a variety of reasons, the temporary network outage being the most prominent one. In such cases, it is likely that delivery of some events, fail to deliver to the required topic/s. This has now been rectified by identifying any such failure to deliver events, and by moving them to the F_MS_OUTBOX_ERROR table within the Temenos Transact database.

A new service MS.EVENTS.CATCH.UP is introduced which selects the failed events from the F_MS_OUTBOX_ERROR table and attempts a redelivery of those to the required topics. For this, a new TAFj function MS.DELIVER.ERROR.EVENTS is also made available, which has the ability to deliver the requested event to the expected topic. Note that the Topic names

(where the delivery will be made) are not negotiable and remain the same as the original topic where the delivery would have been made but for the failure to deliver. Once the delivery is successful, the event is deleted from the ERROR table, to avoid a redelivery later.

The topic related to this feature is given below:

Handling Event Delivery Failures

Banking Framework

Forex and GL » Reporting Revaluation Profit/Loss with Central Reporting File Attributes

The revaluation process is enhanced to report the profit or loss originating from foreign currency asset and liabilities revaluation, using the same attributes as the corresponding asset and liability being revalued.

Introduced a parameter-driven option to generate the PL entry for the profit or loss on foreign currency revaluation either from position revaluation or asset and liability revaluation.

The topics related to this feature are given below:

Configuring Revaluation

Working with Posting PL with FCY Asset and Liability Attributes

System Tables » Customer Closure

Customer Closure enables the user to close or exit the customer after performing the pre-closure checks on the non-financial and financial data of the customer. This functionality enables the user to ensure the customer data is removed from the non-financial records before closing or exiting the customer.

The topic related to this feature is given below:

Customer Closure

Accounts » Reversing Locked Funds

Temenos Transact is enhanced to configure the type of locked funds that the system reverses automatically during the close of the business process or start of day process.

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

Charges and Fee » Handling Customer Group Change for Wealth Fee and Charges

The change in the customer grouping attribute in the portfolio that is, `SEC.ACC.MASTER` (such as, Managed Account changed from discretionary to execution only) or in `CUSTOMER` (such as, change in Customer sector) can result in a change to the customer group for wealth fees and charges. The default customer group for wealth fee and charges in the `CUSTOMER.CHARGE` is rebuilt based on the attribute change in portfolio or customer. The wealth fee or charge accrual is based on the customer group.

To enable the recalculation of wealth fee or charge accruals with retrospective effect based on the attribute change, the historic data of customer grouping for wealth fee or charge is maintained in a separate application, namely `CG.SC.CUSTOMER.CHARGE` . This application is referred by the wealth processing to retrieve the customer group for the advisory and safekeeping fee accruals.

> **The topic related to this feature is given below:**
>
> Handling Customer Group Change for Wealth Fee and Charges

Fixed Asset Management » Non-Monetary Foreign Currency Asset Management

Fixed Asset Management now provides complete financial control over Non-Monetary Foreign currency Assets throughout its life cycle from acquisition to liquidation. It is possible to recognise the forex profit or loss and the trade profit or loss separately, on the Foreign Currency Assets. Currency revaluation of foreign currency assets can be deferred until the liquidation of assets.

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

Cheques and Cards Management » Supporting ISO20022 CBPR+ 2023 Outward and Inward Drafts

Foreign Currency Draft processing as Drawer Bank

The PPSWCQ and the CQ module of Temenos Payments enable the drawer banks to,

- Send ISO20022 CBPR+ messages for cheques or drafts.
- Store the details of the draft being issued with the Temenos cheque register supplement directory.

The drawer bank functionality allows issuing drafts to the bank customers and advising the counterparty (camt.107/MT110 messages) on which the drafts are drawn.

In case of exceptions, the bank can notify the counterparty and request to cancel or stop the payment of the draft (camt.108/MT111) and act based on the counterparty response received (camt.109/MT112), which is the status of the stop payment request.

When the report indicates the acceptance of the stop request, the draft is marked as Stopped in the cheque register supplement directory.

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

Foreign Currency Draft processing as Drawee Bank

The drawee bank functionality provides the ability to receive drafts notifications (camt.107/MT110) and stop payment requests of the drafts (camt.108/MT111) messages from the Vostro banks and send the response for the stop payment request (camt.109/MT112).

Temenos Payments Cheque PPSWCQ and the Cheque CQ modules enable the drawee bank to receive ISO20022 CBPR+ messages for cheques/drafts and store the details of the draft received in the Temenos Cheque Register Supplement directory. In case of exceptions, the drawee bank receives a request to cancel/stop the payment of the draft (camt.108/MT111 messages) from counterparties. The drawee bank needs to send a report (camt.109/MT112 messages) to the counterparty and indicate whether the request is accepted or rejected. If the request is accepted the draft is marked as 'Stopped' in the Cheque Register Supplement directory.

> **The topics related to this feature are given below:**
>
> Supporting ISO20022 CBPR+ 2023 Outward and Inward Drafts
>
> FCY Draft Processing as Drawee Bank

Accounts » Balance Configuration for NSF Processing

The Non-sufficient funds (NSF) Processing functionality is enhanced with the following features:

- Configure the open balance type required for NSF Evaluation process.
- Include the active debit holds and credit holds in calculating the running balance.
- Exclude a debit item from calculating the running balance when the default decision is marked as 'Rejected'.
- Update the fund decision and charge decision of subsequent debit items as 'Approved' and 'Waived' respectively when the previous rejected debit item is excluded from calculating the running balance.
- Update the fund decision and charge decision of subsequent debit items as 'Approved' and 'Waived' respectively when the previous rejected debit item is excluded from the Limit Balance.

The topics related to this feature are given below:

NSF Processing using Start Balance Configuration

NSF Processing using Active Holds Configuration

NSF Processing using Process Type Configuration

Islamic Banking

Islamic Deposits and PDS (ID) » PDS Data Capture

The `ID.PDS.ACTION.CAPTURE` application is now enhanced to include the below functionalities:

- Captures the past period calculated profit rates while running the PDS calculation in the legacy Profit Distribution System (PDS) into Transact. These profit rates are used to recalculate the profit amount during the Mudaraba deposit pre-closure.
- Captures the transaction count for each Mudaraba savings account to the period for which the PDS cycle is pending to be executed in the legacy system. The captured transaction count is used to evaluate the minimum balance exclusion conditions.
- Captures the changes in the principal balance for each Mudaraba deposit from the deposit value date. The captured principal balances are used to recalculate the profit amount during the early maturity of the deposit.

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

Private Wealth

Derivatives » Generating SWIFT MT306 for Exotic Options

The Derivative module now supports the generation of MT306 message as per SWIFT 2023 standards. This message is exchanged by or on behalf of the institutions or corporates which have agreed to a foreign currency option contract. SWIFT MT306 confirms or notifies the details of a foreign currency option contract. The message does not cover plain vanilla options, as those contracts are confirmed through MT305 message. The MT306 message is used for foreign currency options that have the following additional features.

- Vanilla options with barrier conditions - A barrier option is an exotic option whose existence depends upon the underlying currencies exchange rate reaching a pre-set barrier level; the option either springs into existence (known as knock-in) or, if the option already exists, it is extinguished (known as knock-out).
- Binary options - A class of options in which a fixed pay-out is made if a specified barrier condition is met or not met during the life of the option.
- Non-deliverable options - An option where the underlying currencies are not delivered, therefore they are settled in cash.

> **The topic related to this feature is given below:**
>
> SWIFT MT306 for Exotic Options

Securities » Add-on Periodical Fees

For specific assets, the banks can charge an additional advisory or safe custody fee, over and above the standard fees for the portfolio.

- Add-on fees can be configured for a specific asset type or sub-asset type or an instrument and can have its own specific minimum and/or maximum amount.
- The add-on fees are calculated independently for each position and a minimum or maximum is applied for each position. If a position falls under multiple add-on fees, each add-on fee is calculated separately.

The system is now enhanced to post a single monthly accrual entry by cumulating the total fee plus the add on fee up to current month less the cumulative Fees accrued till previous month. When the posting date is reached system cumulates the monthly accruals and post the fees without recalculating again.

The topics related to this feature are given below:

Add-on Fees for Safe custody Charges

Add-on Fees for Advisory Charges

Portfolio Periodic Fee Details

Retail

Retail Lending » Capitalisation of Bills

Transact now supports capitalising:

- Due bills with interest, charge, and account components
- Accrued interest with payment method as due for loans

AA supports issuing invoices or bills for payment under the loan by customer. This bill amount can be debited from an internal or external customer account by linking a direct debit mandate agreed with the other bank. The outstanding bill (containing interest, principal, tax, and charge) can be capitalised to the loan principal based on a customer request or a bank decision.

> **The topics related to this feature are given below:**
>
> Capitalisation of Bills to Loan Principal
>
> Capitalisation of Accrued Interest to Loan Principal

Arrangement Architecture and Retail Lending » Capture Bill in a Fully Charged-off Arrangement

It is now possible to capture a bill in an arrangement that is charged off fully. The system automatically creates the bills and balances for customer books and charge-off books.

> **The topics related to this feature are given below:**
>
> Capture Bills
>
> Capture Bill in a Fully Charged-off Arrangement

Regionalized Solutions

Australia Model Bank

Australia Base » Role Based Home Pages

This functionality allows banks to view the future dated interest conditions, date of the split or merge for loans, future dated schedule conditions, flexible repayment options and product change history in the Lending Overview screen.

The following enquiries have been released as part of this functionality:

- The AA.DETAILS.PAYMENT.SCHEDULE.AU enquiry has been attached to the as a composite screen in the Lending Overview screen to display the historic, current and future dated payment schedule conditions.
- The AA.DETAILS.FLEXIBLE.REPAYMENT.AU has been attached to the as a composite screen in the Lending Overview screen to display the attributes related to the flexible repayment.

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

Lending » Product Control Rules for Home Loan

This functionality allows banks to create and update a home loan with a fixed amount, capture interest type and loan purpose applicable for the Australian region using the `AA.ARR.ACCOUNT,AULEND.API.LOANS.1.0.0,` `AA.ARR.INTEREST,AULEND.API.LOANS.1.0.0` and `AA.ARR.TERM.AMOUNT,AULEND.API.LOANS.1.0.0` versions released as part of this functionality.

The topic related to this feature is given below:

Lending

China Model Bank

Lending

This module allows banks to link multiple agreements to a single limit, define agreement information like loan products allowed, purpose, benefits, industry, currency, begin date, end date, and regulatory related details. Using this module, banks are able to capture the additional information required under agreements, like tenor type, investment information, facility purpose, etc. through the new property records released.

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

Teller Operations » Daily Matching Enquiry

This functionality allows banks to display the in-balance and off-balance sheet entries summary and details by branch and user, the summary by currency, items, debit counts, debit amount, credit count, credit amount and entry details.

Also, this functionality allows the banks to move the daily matching details to the history file with a configurable frequency using the core archiving process.

> The topic related to this feature is given below:
>
> Teller Operations

Mexico Model Bank

Customer Compliance » Customer Regulatory Requirements

This functionality allows users to capture specific information related to Mexican customers in Temenos Transact with the relevant fields and validations.

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

- The `MXBASE.SCIAN.CODES` application has been created to allow users to store the SCIAN codes and their description.
- The `MXBASE.CNBV.SECTOR` application has been created to allow users to store the CNBV sector *Id*'s and their description.
- New fields have been added to the individual and corporate customer, prospect and amendment versions to allow users to capture the SCIAN codes and CNBV sectors.

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

United Kingdom Model Bank

Financial Services Compensation Scheme (FSCS) » FSCS Closed Account

The current FSCS report considers only customer accounts which are not closed in Temenos Transact.

The unclaimed funds from a closed account that are moved to suspense account of the bank are not reported in the UKFSCS report, however these funds also belongs to customer and it has to be reported as part of the FSCS purposes.

This functionality allows banks to capture and track the unclaimed balance in Temenos Transact. Also, it enables FSCS report to have the unclaimed balance on closed accounts.

The topic related to this feature is given below:

Financial Services Compensation Scheme (FSCS)

United States Model Bank

Non Sufficient Funds (NSF) Decision and Queue Management » Day 2 Review Process of Stop Suspect

This functionality allows banks to take a PAY or RETURN decision on transactions which are classified both as Stop Suspect as well as NSF. Transactions which are classified both as Stop Suspect, as well as NSF, will be placed in a Multi-Exception Queue and will be decided as Stop Suspect_PAY or Stop Suspect_RETURN by the Multi-Exception Decisioner. Items that are decided as Stop Suspect_PAY will be moved to thr NSF Decision Queue for the standard NSF processing. Items that are left undecided by the cut off time, will be defaulted to Stop Suspect_PAY decision by the cut off service and will be moved to the NSF Decision Queue for the standard NSF processing.

> **The topic related to this feature is given below:**
>
> Non Sufficient Funds (NSF) Decision and Queue Management

Regulations » Year End Tax Reporting » IRS Filing Changes - 2020 to 2022

This functionality allows banks to support changes implemented in IRS from 2020 to 2022. Two new forms, 1098-E Student loan Interest and 1099-NEC Non Employee Compensation, have been released in Temenos Transact.

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

Retail » Auto Account Closure » Account Closure via File Feed

This functionality allows banks to manage the customer accounts to be closed, for various reasons like non-submission of documents as committed at the time of account opening, suspicious transactions, fraudulent activities as reported by various agencies. Banks consciously take the decision to close such identified accounts in real time.

The topic related to this feature is given below:

Retail

Retail » Auto Account Closure » Account Closure via File Feed through API

This functionality allows users to trigger the forced closure of account using the `AA.ARRANGEMENT.ACTIVITY,AA.API.US.FORCE.CLOSE.1.0.0` version released as part of this functionality. Also, the USRETL.GET.FORCE.CLOSURE.STATUS.1.0.0 enquiry has been released to allow users to check the status of an account in Temenos Transact.

The topic related to this feature is given below:

Retail

Technology

Extensions and Configuration

Temenos Packager » Packager Health Check Tooling

Temenos Packager is enhanced with the following APIs:

- Packager Health check API – Checks the health of the DSF system and its dependencies.
- Packager About API – Retrieves the details of the packager components.

> **The topics related to this feature are given below:**
>
> Packager Scalable Deployments
>
> Packager Health Check API
>
> Configuring Application Server
>
> Packager About API

Integration Framework

Data Event Streaming » Security

DES is enhanced to enable and disable the authentication for DES and Config-installer API through system variable in case of k8s: values.yaml. This modifies the issuer, public-key certificate and signature validation directly through system variables externally instead of going inside des-api component jar and changing it individually.

The topic related to this feature is given below:

Keycloak Configuration

User Experience

UXP Browser » Supporting Fastpath in Nofile Enquiries

The Fastpath attribute is enhanced with Nofile enquiries to design an enquiry that allows the primary key of any application used in the routine to be exposed in the enquiry design. Using this primary key, the Fastpath operation is done for any applications.

The topic related to this feature is given below:

Fast Path Enquiry

Infrastructure Microservices

Infrastructure » Query language for NOSQL Based Microservices

Microservice Framework is enhanced to support the comprehensive queries in GET APIs with different operators and standard data types supported as unified and consistent across all our reporting microservices.

The topic related to this feature is given below:

Query language for NOSQL Based Microservices

Infrastructure » End user Management Flow Authentication and Authorization Requirements

Microservice allows digital channels to access their functional services over online interfaces (API). Microservice Authentication and Authorization framework accepts a JWT token issued from Customer Identity Access Management (CIAM) and performs authorizations for different types of users like:

- Channel-based external user request - The allowed resources and associated privileges are retrieved from the entitlement microservice.
- Internal user request - Microservice continues to support, and the policies are retrieved from generic config MS.

Microservices can identify the source of the request (internal or external user) by verifying 'roleid and iss' claims passed in the JWT token.

The topic related to this feature is given below:

User Based Authorization in Authentication & Authorization

Installation and Configuration Notes

Banking Framework

Cheques and Cards Management » Supporting ISO20022 CBPR+ 2023 Outward and Inward Drafts

The DE_SWIFTInward_QueueConfig.properties file should be updated with the additional configurations. The required xsd and xslt should be placed in the respective path of PP_HOME.