temenos

What's New in Temenos Transact

January 2024

Table of Contents

Key Features

The following are the key features of 202401. For the list of Reference Business Process, click **HERE.**

BANKING FRAMEWORK

Externalising Transact Limit Exposure

The Limit functionality is enhanced to link one or more external exposures to utilize the credit limit created and maintained in the Transact system.

Click here to read the full story 🔗

CORPORATE

Evaluating Pricing Grid based on Multiple Credit Ratings

Pricing grids can be used to define the margin rates for interests based on least customer credit ratings, so higher margin rates can be applied for the least rated or high-risk customers.

Click here to read the full story 🔗

REGIONALIZED SOLUTIONS

Australia

Data for Additional Repayments by the Customer During a Fixed Rate Period

This functionality enables banks to display the maximum repayment limit that can be paid by the customer during the fixed or variable anniversary period, details of actual repaid amount and the remaining balance using the AULEND.REPAYMENT.LIMITS.API.1.0.0 enquiry provided with an API.

Click here to read the full story 🔗

Hong Kong

TD Primary Account

This functionality enables banks to create, manage and close the virtual primary accounts for a customer and, the opening of the individual deposit arrangements that are linked to the virtual account, TD Primary account.

Click here to read the full story 🔗

Mexico

VAT Calculation Based on Real Interest

This functionality allows banks to calculate the Value Added Tax (VAT) based on the real interest amount for all loans.

Click here to read the full story 🔗

United Kingdom

Bank Account Modulus Check

Using this module, bank users can get the check digit validated for the beneficiary/counterparty account number input in other front end applications like account switch request, payment order, etc. Click here to read the full story 🔗

Booking the Unprotected Funds to Suspense Account

This functionality allows users to set the compensation status flag as Yes or No for all accounts and deposits classified as NFFSTP.
Click here to read the full story 🔗

Predefined Accounts Products

This module covers the representative UK instant access account products like saving accounts (Easy Access Saver, Limited Access Saver, Regular Saver, Junior Saver and Notice Account) and current accounts (Bank Account and Premium Bank Account) that can be used out-of-the-box.
Click here to read the full story 🔗

United States

Balance Enquiry OD Coverage from Sweeps

This functionality allows banks to fetch different balance components pertaining to an account using the NSF.ACCT.BAL.DETAILS enquiry. Click here to read the full story 🔗

Non-Returnable Debits on Closed Accounts

This functionality allows banks to manage the process on POS debit and credit transactions which are posted to a closed account, to continue the business as usual to prevent losses.
Click here to read the full story 🔗

RETAIL

Capping of NSF Charges based on Amount and Count with External Pricing

When pricing is external to Transact (that is, in Temenos Enterprising Pricing), the Pricing Externalised field is set as Yes for the account product. In this case, the non-sufficient funds (NSF) charges that are levied on the account per day can be capped based on either amount or transaction count.
Click here to read the full story 🔗

Waiving Interest and Charges during Account Closure

When an account is closed, the user can choose to waive specific charges, periodic charges and accrued interest for the account product. Click here to read the full story 🔗

Overdraft Grace Feature during Account Closure

When an overdraft account (that is, accounts with non-sufficient funds processing) is closed, the system evaluates the status of the active NSF exceptions and chooses to restrict or allow account closure based on certain configurations. This functionality is independent of the charge and interest waiver during closure. Click here to read the full story 🔗

INTERACTION FRAMEWORK

AA Warmup Service

API Framework now supports AA Warm Up during deployment.
Click here to read the full story 🔗

EXTENSIONS AND CONFIGURATION

Kafka Service with SASL_SSL protocol and GSSAPI Mechanism

Microservice framework now supports SASL/SCRAM and SASL/GSSAPI for Kafka integration using Kerberos server. Click here to read the full story 🔗

Release Highlights

Banking Framework

Cheques and Cards Management » Determining Cheque Type Based on Parameterisation in `CQ.PARAMETER`

The Foreign Currency Draft Processing as Drawer Bank feature has been enhanced with the functionality to determine the Cheque Type based on the parameterisation defined in the `CQ.PARAMETER` application to update Tag 21 in MT111 messages or Tag <ChqNb> in CAMT.108.001.01 messages for a cheque stop request.

The topics related to this feature are given below:

Cheque Type in Outward and Inward Messages for Cheque Stop Request

Tasks for Foreign Currency Drafts Processing as Drawer Bank

Output for Foreign Currency Drafts Processing as Drawer Bank

Tasks for FCY Draft Processing as Drawee Bank

Outputs for FCY Draft Processing as Drawee Bank

Multi-Company and Multi-Branch » Deactivation of Company

Deactivation of a lead company (along with its underlying company) from Transact is now possible. The deactivated companies are excluded from all kinds of transactions and operations.

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

Cash Pooling » Overdraft Protection

Overdraft Protection feature allows the customer to earmark funds within the linked accounts as sweep projections, to mitigate the risk of withdrawals affecting the linked accounts. Furthermore, when the checking account receives funds, the system automatically releases or adjusts any previous earmarked sweep projections against the linked accounts.

The system follows sweep priority to earmark funds within the linked accounts as sweep projections (allowing to link more than one funding account). Additionally, sweep projections are reversed or dropped based on the reverse order of the sweep priority.

Overdraft Protection feature can be enabled for debit reservations or holds, placed on the checking account.

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

Limits » Externalising Transact Limit Exposure

The Limit functionality is enhanced to link one or more external exposures to utilize the credit limit created and maintained in the Transact system. The exposures maintained in other external systems can now utilize the limits created in the Transact system through the API framework. The Transact system can store the necessary details of the external exposure and allow the exposure to utilize the limit, by linking it to the appropriate limit line. This can be monitored through the Risk Exposure Overview report in Transact.

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

The topic related to this feature is given below:

Externalising Transact Limit Exposure

Corporate

Facility » Evaluating Pricing Grid based on Multiple Credit Ratings

Pricing grids can now be used to define the margin rates for interests based on least customer credit ratings, so higher margin rates can be applied for the least rated or high-risk customers.

- The Data Elements table is enhanced to define the routine-based criteria for the pricing grid property class. A new routine AA.DATA.ELEMENT.COMPARE.RATING is introduced to get the lowest customer rating.
- There are multiple rating agencies like S&P, FITCH, MOODY'S, and so on. These agencies rate the companies based on their performance, financial stability, and other criteria.
- The AA. DATA.ELEMENT.COMPARE.RATING routine compares the system rankings of all the agencies defined in AA.DATA.ELEMENTS and finds the least of the ratings.
- The pricing grid is re-evaluated whenever there is a change in the corporate customer ratings given by the credit rating agencies such as S&P, FITCH, and, MOODY'S and the margin rate is defaulted corresponding to the new customer rankings.

The topics related to this feature are given below:

Configuring Pricing Grid Evaluation based on Multiple Credit Ratings

Working with Pricing Grid Evaluation based on Multiple Credit Ratings

Regionalized Solutions

Australia Model Bank

Interest Rate Change Notice

This functionality allows banks to perform the reversal of activities-based charges and the deferred collection of charges. Also, this functionality enables banks to create, update and view the `AULEND.PACKAGE.PARAM` parameters record using the `AULEND.PACKAGE.PARAM,AULEND.API.LOAN.PACKAGE.2.0.0` version provided with APIs.

> **The topic related to this feature is given below:**
>
> Interest Rate Change Notice

Lending » Data for Additional Repayments by the Customer During a Fixed Rate Period

This functionality enables banks to display the maximum repayment limit that can be paid by the customer during the fixed or variable anniversary period, details of actual repaid amount and the remaining balance using the AULEND.REPAYMENT.LIMITS.API.1.0.0 enquiry provided with an API.

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

Lending » New Fields in the External Property Class and Its Validations

This functionality allows banks to create and amend the new control conditions based on the interest rate type (fixed or variable), loan purpose and payment type (such as constant or interest only) for home loan product and retrieve the details of control condition for home loan product through APIs.

The topic related to this feature is given below:

Lending

Hong Kong Model Bank

Privileged and Step-up Deposit » TD Primary Account

Banks in Hong Kong offer time deposits under an umbrella structure to their customers wherein a virtual account known as the TD (Term Deposit) Primary account is opened that encompasses all the individual deposit arrangements opened by the customer. The individual deposit arrangements are opened and linked to this virtual account. The communication between the bank and the customers will happen based on this virtual account number only.

This functionality enables banks to create, manage and close the virtual primary accounts for a customer and, the opening of the individual deposit arrangements that are linked to the virtual account, TD Primary account.

> **The topic related to this feature is given below:**
>
> Privileged and Step-up Deposit

Mexico Model Bank

Lending Compliance » VAT Calculation Based on Real Interest

This functionality allows banks to calculate the Value Added Tax (VAT) based on the real interest amount for all loans. The real interest amount will be calculated considering the inflation factor and the inflation factor will be calculated using the Unit of Investment (UDI) currency.

During the interest schedule, the system will calculate the interest for the period, inflation factor, real interest rate, real interest amount and finally, the VAT is calculated on the real interest amount.

The Inflation Currency field has been added to the `MXCRED.LENDING.PARAMETER` application to allow users to configure the details required for the real interest calculation.

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

United Kingdom Model Bank

Bank Account Modulus Check

Using this module, bank users can get the check digit validated for the beneficiary or counterparty account number input in other front end applications like account switch request, payment order, etc. The system will trigger the check digit or modulus calculation based on the counter-party bank's sort code and provides the status of check digit calculation as successful or not.

> **The topic related to this feature is given below:**
>
> Bank Account Modulus Check

FSCS Continuity of Access » Booking the Unprotected Funds to Suspense Account

This functionality allows users to set the compensation status flag as Yes or No for all accounts and deposits classified as NFFSTP. Also, users are able to verify the balance for all accounts and deposits flagged with the compensation status as No and transfer the unprotected portion of balance to the unprotected suspense account.

> **The topic related to this feature is given below:**
>
> FSCS Continuity of Access

Predefined Accounts Products

This module covers the representative UK instant access account products like

saving accounts (Easy Access Saver, Limited Access Saver, Regular Saver, Junior Saver and Notice Account) and current accounts (Bank Account and Premium Bank Account) that can be used out-of-the-box. The UK instant access account are preconfigured products, with product conditions in Sterling, except particular FYC accounts.

The Bank Account and Premium Bank Account products have been released to allow banks to offer to their customers basic accounts without regular income, accounts for employed or retired singles and couples for receiving their regular income or pension and accounts for students and apprentices on which they can receive money from jobs and pay their liabilities.

The topic related to this feature is given below:

Predefined Accounts Products

United States Model Bank

Individual Retirement Accounts » Business Events

This functionality allows banks to manage the new business event that has been released for Individual Retirement Accounts (IRA). The mentioned event gets emitted when the new IRA Distribution Plan records get created or when such records get modified. Also, new business events have been released for IRAs to get emitted when the Required Minimum Distribution is calculated automatically for IRA owners for the year when they are required to take minimum distributions.

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

Individual Retirement Accounts » Payment Order screens in IRA

This functionality allows banks to process IRA contributions, IRA distributions and IRA contribution corrections through Payment Order versions.

New IRA contributions and IRA distributions screens using Payment Order have been made released through the IRA Arrangement Overview. Also, a separate IRA contribution correction screen has been released utilizing the Payment Order.

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

Non Sufficient Funds (NSF) Decision and Queue Management » Balance Enquiry OD Coverage from Sweeps

This functionality allows banks to fetch different balance components pertaining to an account using the NSF.ACCT.BAL.DETAILS enquiry. The output of the OD balance component is enhanced to consider the debit and credit holds.

The retail ODP is defined as a one-way sweep from a covering or funding account to a Temenos Transact account to cover an overdraft.

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

Non Sufficient Funds (NSF) Decision and Queue Management » Non-Returnable Debits on Closed Accounts

This functionality enables banks to allocate NSF desks to NSF officers that are moved from the user profile in Temenos Transact to a new configuration application for NSF decisioners. When the user profile is managed within Temenos Transact, the NSF decisioner record key must be set as sign on name defined in the user profile. When the user profile is managed externally, the NSF decisioner record key must be defined as the login name defined in the external system. When the NSF decisioner accesses the NSF decision queue, the NSF accounts will be listed in the queue based on the NSF.DESK and NSF.GROUP linked to the decisioner profile.

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

Remote Deposit Capture Interface

This functionality allows banks to define the threshold balance and percentage amounts per the combination of the FDIC Product Category and FDIC Deposit Class Type, including settlement instructions, as defined by Federal Deposit Insurance Corporation (FDIC), using the restructured FDIC Parameter. The definition of settlement details has been amended to allow the definition of the settlement currency and category versus defining specific settlement account details.

> **The topic related to this feature is given below:**
>
> Remote Deposit Capture Interface

Retail

Retail Accounts » Capping of NSF Charges based on Amount and Count with External Pricing

When pricing is external to Transact (that is, in Temenos Enterprising Pricing), the *Pricing Externalised* field is set as Yes in `AA.PRODUCT.DESIGNER` and `AA.PRODUCT.CATALOG` records of the account product. In this case, the non-sufficient funds (NSF) charges that are levied on the account per day can be capped based on either amount or transaction count by defining the pricing rules condition in TEP. When the NSF charges are capped based on the amount, then the NSF fee can be waived either fully or partially based on the cap amount defined in the pricing rules in TEP.

> **The topics related to this feature are given below:**
>
> Configuring overdraft fees with external pricing
>
> Illustrations for processing overdraft fees with external pricing

Retail Accounts » Waiving Interest and Charges during Account Closure

When an account is closed, the user can choose to waive specific charges, periodic charges and accrued interest. The associated multi-value field set namely, *Closure Waive Class* and *Closure Waive Prop* in the Closure condition can be configured for the account product to define the specific property classes or properties that are to be waived during account closure.

- *Closure Waive Class* - This field is used to define the list of property classes that should be waived during closure. The only options allowed are Interest,

Charge and Periodic charge.

- *Closure Waive Prop* - This field is used to define the list of interest, charge or periodic charge properties that should be waived during closure. The properties defined in this field should be a valid Interest, Charge or Periodic Charge property that is defined in the product.

The topics related to this feature are given below:

[Fields for waiving interest and charges during account closure](#)

[Configuration for handling interest and charges during account closure](#)

[Closure of Accounts based on Non-Sufficient Funds (NSF) Exceptions Status when pricing is in AA](#)

[Closure of Accounts based on Non-Sufficient Funds (NSF) Exceptions Status when pricing is externalised](#)

[Illustrating Model Products](#)

Retail Accounts » Overdraft Grace Feature During Account Closure

When an overdraft account (that is, accounts with non-sufficient funds processing) is closed, the system evaluates the status of the active NSF exceptions and chooses to restrict or allow account closure based on certain configurations. That is, during account closure, the system evaluates if there are any active `AC.FUNDS.AUTHORISATION` records for the account with the following conditions:

- *Overdraft Grace Period* not enabled – The system restricts account closure till the associated fees for the active NSF exceptions are posted to the account.
- *Overdraft Grace Period* enabled – For all the NSF exceptions that are still within the grace period, the system waives the associated fees and closes the account.

This functionality is independent of the charge and interest waiver during closure. Overdraft grace functionality clears the overdraft fee when the account is cleared of debit balances. During account closure, the account balance must be made zero (that clears the debit balance) and therefore, the associated overdraft fees are waived.

The topics related to this feature are given below:

Closure of Accounts based on Non-Sufficient Funds (NSF) Exceptions Status when pricing is in AA

Closure of Accounts based on Non-Sufficient Funds (NSF) Exceptions Status when pricing is externalised

Technology

Interaction Framework

IRIS R18 » AA Warmup Service

The latest functionality facilitates the retrieval and preloading of AA metadata directly into IRIS Cache using configuration. AA warm-up utility can be enabled by setting an environment variable, which preloads AA metadata into the IRIS cache on WAR deployment.

> **The topics related to this feature are given below:**
>
> Pre Cache in IRIS R18
>
> Warmup Functionality

Integration Framework

Data Event Streaming » Generating XACML Policy with PAPUI

This functionality uses PAPUI to create and generate an XACML file for DES. DES APIs can be authorised using the XACML policy generated by PAPUI.

> **The topic related to this feature is given below:**
>
> Generating XACML Policy with PAPUI

Adapter Development Kit » Removing Axis2 Dependency

Axis2 services are used in IF products like ADK, IIB Adapter, OSB, and Event Designers. Adapter Development Kit is enhanced to remove the axis2 services dependency in the Adapter development kit. Integration Flow service, Landscape service, and Inflow services are implemented by accessing ejb and data jars.

The topics related to this feature are given below:

Metadata Discovery in TAFJ

Metadata Discovery in Inbound Operations

Extensions and Configuration

Adopter » Kafka Service with SASL_SSL protocol and GSSAPI Mechanism

Microservice framework has been supporting SSL/TLS for Kafka integration and it has now extended the support to SASL/SCRAM and SASL/GSSAPI, which is for organisations using Kerberos for authentication.

The topic related to this feature is given below:

Configuring with Kafka Service - SASL protocol / GSSAPI Mechanism

Business Microservices

Holdings

- Holdings Microservice has been enhanced to handle a complex events for Temenos Enterprise pricing process and aggregate them based on the quotation reference, which is coming as part of the Business event payload and if the value in quotation reference is found, then all the other events will be aggregated which has same quotation reference in it.
- Holdings Microservice has now been extended to hold the Balance and Activities. Business Microservice features and their APIs as part of MS Consolidation. Temenos Enterprise Pricing uses enhanced Holdings Microservice for their enterprise pricing.
- Party MS supports Temenos Packager for packaging and release the Master data/Reference data. This Temenos Packager can be used to release the base master data / reference data from L1, L2 and also L3 after deploying the Microservices.

Click here to read the full story 🔗

Party

- Party Microservice has now been enabled User Audits feature from Microservice Framework for all creation and update of the Party records. With this audit feature enabled, Banks can now audit all financial and non-financial updates by the users and Customers in the Microservices if any.

- Party Microservice has now been enhanced to have single helm charts for any Kubernetes Deployment (On-Premise, AKS in Azure and EKS in AWS).

Click here to read the full story 🔗

Installation and Configuration Notes

Banking Framework

Limits » Externalising Transact Limit Exposure

The LIMEXT product must be installed to enable this functionality.