Create and Amend Contingent Liability (W5)

PURPOSE

This document shows how to create and amend contingent liability.

WHY IS THIS IMPORTANT?

This allows to keep track any possible contingent liabilities that a company may incur.

PROCEDURE

1. From the Welcome screen, go to Transaction > Contingent Liability

2. Click New. The New Contingent Liability screen launches.

New Contingent Liability

Book	Import

Field	Value
Issue/Accept*	Issue
Type*	-
Accounting Centre*	TFS-SG
On Behalf	
Ccy*	SGD
Amount*	
Start Date*	12/02/2016
End Date*	dd/mm/yyyy
Facility*	
Issuer	
Beneficiary/In favour*	
Claim Date	dd/mm/yyyy
Advising Bank	
Show Advance Fields	
Skip Holidays	

3. Fill out the mandatory fields characterized by (*).

4. Choose Issue or Accept from the dropdown.

5. Select the type of contingent liability in the Type field. The Type field is user definable. This can be created under User Definable > Contingent Liability Type. For more details, see how to create user definable field.

6. Accounting centre would have been defaulted to the user accounting centre. If not, it will be left blank. Choose the Accounting Centre.

7. On behalf field is optional. If is left blank, it will follows the selected accounting centre once book. If you are

booking the trade on behalf of your subsidiary company, select the on behalf accounting centre from the drop down list.

8. Select the Currency on Ccy field.

9. Input the amount.

10. Fill in the Start Date and End Date.

11. Click Refresh Button next to Facility field. This will populate the facility in the drop down list.

12. Choose the Facility from the dropdown. As you do this, the system recomputes the available limit for the contingent liability to be book and Issuer will be populated according to the selected facility.

13. Key in the Beneficiary party in Beneficiary/In favour field.

14. Choosing to tick on Show Advance checkbox, additional fields show up.

15. Tolerance is defaulted to 0%. For example, if there is any tolerance to the guaranteed amount, key in the tolerance percentage in this field.

16. Limit Release is defaulted to Auto. This means limit will be automatically released on transaction's claim date. You may choose Manual if you do not wish the system to automatically release the limit on transaction's claim date. Once this is set to Manual, limit will not be released until you set it to Release.

17. Fill in other fields as required. These fields are for information for internal use only and are optional.

18. The system checks for holidays before booking the trade, if you want the system to skip checking, tick on the Skip Holidays checkbox.

19. Click Book to complete the transaction.

20. The transaction appears on the main screen.

21. If you see the V/ A flag is in orange colour, that means the transaction is not authorized/ verified. Authorize and verify the newly created transaction. To know how to authorize and verify trades, check the user guide on <u>Authorizing and Verifying Trades</u>.

22. To amend a contingent liability, click on the Trade ID. In this example we will select the one recently entered. The Amend Contingent Liability screen will be displayed.

Amend Contingent Liability

← | Update | Charges/Refund | 📄

|	
Trade ID	GRT100008.00
Issue/Accept*	Issue ▼
Type*	Banker Guarantee ▼
Accounting Centre*	TFS-SG ▼
On Behalf	DBS-SG ▼
Ccy*	SGD ▼
Amount*	10,000,000.00
Start Date*	17/02/2016
End Date*	15/12/2016
Facility	TFS-SG/DBS-SG OBS ▼ ⟳ Available:SGD 28.11m (100.0%)
Issuer	DBS-SG
Beneficiary*	TGL-SG
Claim Date*	15/12/2016
Advising Bank	▼
Soft Amend	
Tolerance%*	0
Limit Release*	Auto ▼
Portfolio	▼
Transaction Type	- ▼
Project	- ▼
Our Dealer	dev01@12dl2d.com ▼
Ctpy Dealer	
Ctpy Reference	
Narrative	
Skip Holidays	☐
Trade Change History	

23. Change the values as necessary. Note that the Trade Change History below the page will show all the amendments made on the transaction.

Trade ID	GRT100008.00
Issue/Accept*	Issue
Type*	Banker Guarantee
Accounting Centre*	TFS-SG
On Behalf	DBS-SG
Ccy*	SGD
Amount*	10,000,000.00
Start Date*	17/02/2016
End Date*	15/12/2016
Facility	TFS-SG/DBS-SG OBS Available:SGD 28.11m (100.0%)
Issuer	DBS-SG
Beneficiary*	TGL-SG
Claim Date*	15/12/2016
Advising Bank	
Soft Amend	
Tolerance%*	0
Limit Release*	Auto
Portfolio	
Transaction Type	-
Project	-
Our Dealer	dev01@12dl2d.com
Ctpy Dealer	
Ctpy Reference	
Narrative	
Skip Holidays	
Trade Change History	

TradeID:GRT100008.00
By:dev01@12dl2d.com
At:14 Nov 2019 11.42.17
----

24. When making changes to non-contractual details, click on Soft Amend. If chosen, the Trade ID suffix will remain the same. It would also not require re-authorization and re-verification.

25. In this example, hard amend will be done. The amount will be changed to 15,000,000, since this is a contractual detail, click on Update.

26. A popup appears.
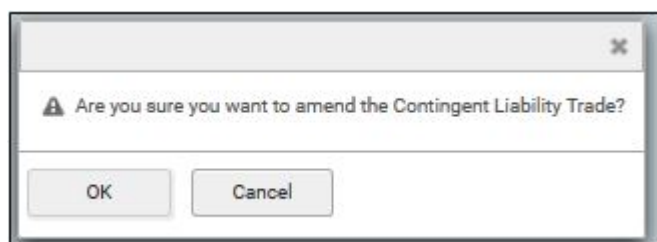
27. Click OK. The main screen will reflect the change in the Trade ID suffix from GRT100008.00 to GRT100008.01 as a result of the hard amend and requires authorization and verification. To know how to authorize and verify trades, check the user guide on Authorizing and Verifying Trades.

FREQUENTLY ASKED QUESTIONS

FAQ01. I cannot click on the Skip Holidays checkbox.

> Authorization is required to do this function. Contact your administrator to give you rights 12127.

FAQ02. I cannot access the module.

> Authorization is required to do this function. Contact

your administrator to give you rights 12110.

RELATED INFORMATION

[Authorizing and Verifying Trades](#)

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created
28-Jul-2015	CS	Included section for FAQ
17-Feb-2016	Clarissa	Rewritten. Reformatted.
12-Jun-2016	Douglas	Proofread.
14-Nov-2019	Lyra	Updated Screenshots.