

# Create and Amend Contingent Liability (W5)

[This version is superseded. Click here to view the latest guide.](#)

## **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

Issue/Accept\*

Type\*

Accounting Centre\*

On Behalf

Ccy\*

Amount\*

Start Date\*

End Date\*

Facility\*

Issuer

Beneficiary/In favour\*

Claim Date

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.

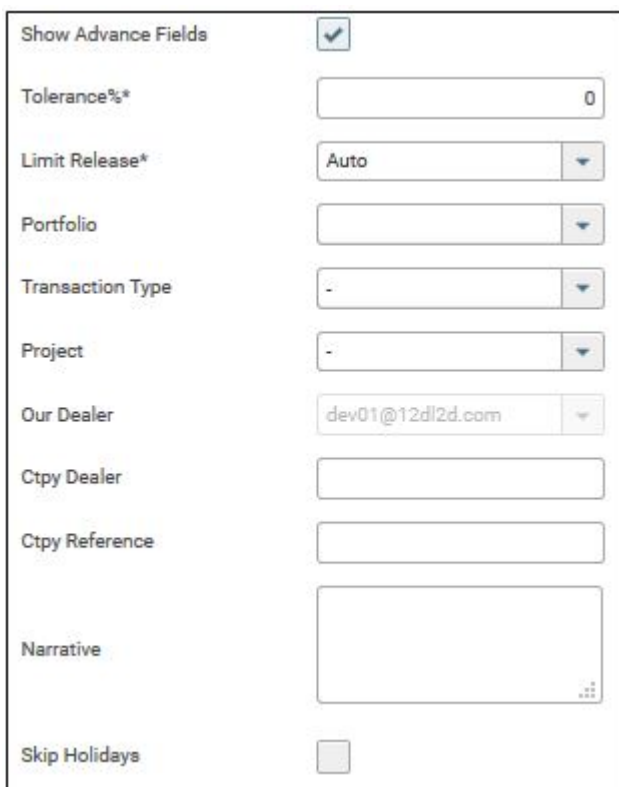
10. Fill in the Start Date and End Date.

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.



The image shows a screenshot of a web form with the following fields and values:

- Show Advance Fields:
- Tolerance%\*:
- Limit Release\*:
- Portfolio:
- Transaction Type:
- Project:
- Our Dealer:
- Ctpy Dealer:
- Ctpy Reference:
- Narrative:
- Skip Holidays:

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.

The screenshot shows the 'Contingent Liability' interface. At the top, there are several input fields: 'Acct Cntr\*' (TFS-SG), 'End Date Fr\*' (01/01/2010), 'End Date To' (dd/mm/yyyy), 'Issue/Accept', and 'Type'. Below these are 'Trade ID', 'Narrative', and an 'Include Deleted' checkbox. A row of buttons includes 'Refresh', 'New', 'Delete', and three icons (download, star, save). The main part of the screen is a table with the following columns: Flag, TradeID, Acct Cntr, Issuer, Ccy, Amount, End Date, Start Date, Category, and Narrative.

Flag	TradeID	Acct Cntr	Issuer	Ccy	Amount	End Date	Start Date	Category	Narrative
V/A	GRT100008.00	TFS-SG	DBS-SG	SGD	10,000,000.00	15 Dec 2016	17 Feb 2016	Banker Guarantee	
V/G	GRT100007.00	TFS-SG		SGD	49,000.00	3 Jan 2018	3 Jan 2017	Performance Bond	

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 [Authorizing and Verifying Trades](#).

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

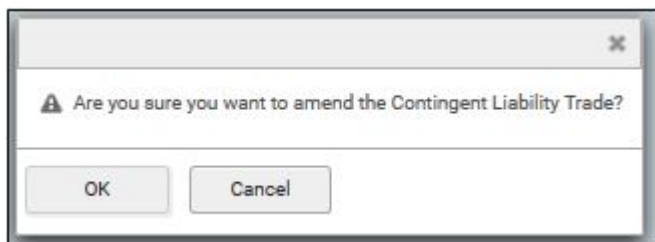
23. Change the values as necessary. Note that the Trade Change History below the page will show all the amendments made on the transaction.

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*	IGL-SG	
Claim Date*	15/12/2016	
Advising Bank	▼	
<input type="button" value="Soft Amend"/>		
Tolerance%*	0	
Limit Release*	Auto	▼
Portfolio	▼	
Transaction Type	-	▼
Project	-	▼
Our Dealer	dev01@12dl2d.com	
Ctpy Dealer	▼	
Ctpy Reference	▼	
Narrative	▼	
Skip Holidays	<input type="checkbox"/>	
Trade Change History		
<div style="border: 2px solid blue; padding: 5px;">         TradeID:GRT100008.00 ▲          By:dev01@12dl2d.com ▼          At:14 Nov 2019 11.42.17          ...       </div>		

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](#).

Contingent Liability									
Acct Cntr*	TFS-SG	End Date Fr*	01/01/2010	End Date To	dd/mm/yyyy	Issue/Accept		Type	
Trade ID		Narrative		Include Deleted	<input type="checkbox"/>				
Refresh	New	Delete							
Flag	TradeID	Acct Cntr	Issuer	Ccy	Amount	End Date	Start Date	Category	Narrative
<input type="checkbox"/>	GRT100008.01	TFS-SG	DBS-SG	SGD	15,000,000.00	15 Dec 2016	17 Feb 2016	Banker Guarantee	
<input type="checkbox"/>	GRT100007.00	TFS-SG		SGD	49,000.00	3 Jan 2018	3 Jan 2017	Performance Bond	

## **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.

### **FAQ03. A Bank Guarantee (BG) has been discharged before its original expiry date. How should I update it in the system so that it no longer**

## appears as outstanding?

The system does not have a dedicated field to capture an **early discharge date**. To ensure that an early discharged BG no longer appears as outstanding, please update the following fields:

**End Date** - Change this to the actual discharge date.

**Claim Date** - Change this to the actual discharge date.

**Narrative/Notes** - Add a note indicating that the BG was discharged early, including the actual discharge date if required for audit purposes.

After these updates, the BG will no longer be treated as an outstanding guarantee in the system.

## 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.