

Create and Amend Contingent Liability

[See previous W5 version 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 main menu, go to Transaction > Contingent Liability
2. Click on Action and select New. The New Contingent Liability screen launches.

New Contingent Liability

 Cancel

 Book

 Import

Issue/Accept*

Issue



Type*

-



Accounting Centre*

TFS-SG



On Behalf



Ccy*

SGD



Amount*

Start Date*

09/05/2023

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.

Show Advance Fields	<input checked="" type="checkbox"/>
Tolerance%*	<input type="text" value="0"/>
Limit Release*	<input type="text" value="Auto"/>
Portfolio	<input type="text"/>
Transaction Type	<input type="text" value="-"/>
Project	<input type="text" value="-"/>
Our Dealer	<input type="text" value="admin@devent1.com"/>
Ctpy Dealer	<input type="text"/>
Ctpy Reference	<input type="text"/>
Narrative	<input type="text"/>
Skip Holidays	<input type="checkbox"/>

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 input fields for 'Acct Cntr*' (TFS-SG), 'End Date Fr*' (01/07/2017), 'End Date To' (dd/mm/yyyy), 'Issue/Accept', and 'Type'. Below these are fields for 'Trade ID', 'Narrative', and 'Include Deleted' (checkbox). A toolbar contains 'Refresh', 'Action', a star icon, and a document icon. A search bar is present with a 'Columns' button. The main table has columns: Flag, TradeID, Acct Cntr, Issuer, Ccy, Amount, End Date, Start Date, Category, and Narrative. One transaction is listed with a green flag icon, TradeID GRT100015.00, Acct Cntr TFS-SG, Issuer DBS-SG, Ccy SGD, Amount 10,000,000.00, End Date 15 Dec 2017, Start Date 16 Dec 2016, and Category Banker Guarantee.

Flag	TradeID	Acct Cntr	Issuer	Ccy	Amount	End Date	Start Date	Category	Narrative
	GRT100015.00	TFS-SG	DBS-SG	SGD	10,000,000.00	15 Dec 2017	16 Dec 2016	Banker Guarantee	

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 Edit button of the trade. In this example we will select the one recently entered. The Amend Contingent Liability screen will be displayed.

Amend Contingent Liability

[Cancel](#) [Update](#) [Charges/Refund](#) [File/Note](#)

Trade ID

Issue/Accept*

Type*

Accounting Centre*

On Behalf

Ccy*

Amount*

Start Date*

End Date*

Facility [Refresh](#) Available:SGD 28.87m (100.0%)

Issuer

Beneficiary*

Claim Date*

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[Soft Amend](#)

Tolerance%*

Limit Release*

Portfolio

Transaction Type

Project

Our Dealer

Ctpy Dealer

Ctpy Reference

Narrative

Skip Holidays

Trade Change History

TradeID:GRT100015.00 By:admin@devent1.com At:9 May 2023 04.50.37

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 Change History


TradeID:GRT100015.00 By:admin@devent1.com At:9 May 2023 04.50.37

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.

Amend Contingent Liability

[Cancel](#) [Update](#) [Charges/Refund](#) [File/Note](#)

Trade ID	GRT100015.00
Issue/Accept*	Issue
Type*	Banker Guarantee
Accounting Centre*	TFS-SG
On Behalf	TFS-SG
Ccy*	SGD
Amount*	15,000,000.00
Start Date*	16/12/2016
End Date*	15/12/2017
Facility	TFS-SG/DBS-SG OBS  Available:SGD 28.87m (100.0%)
Issuer	DBS-SG
Beneficiary*	ABC Co. Ltd
Claim Date*	15/12/2017
Advising Bank	

[Soft Amend](#)

Tolerance%*	0
Limit Release*	Auto
Portfolio	
Transaction Type	-
Project	-
Our Dealer	admin@devent1.com
Ctpy Dealer	
Ctpy Reference	
Narrative	
Skip Holidays	<input type="checkbox"/>

Trade Change History

26. A popup appears.

Confirmation



Are you sure you want to amend the Contingent Liability Trade?

✓ Yes

✗ No

27. Click Yes. The main screen will reflect the change in the Trade ID suffix from GRT100015.00 to GRT100015.01 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* End Date Fr* End Date To Issue/Accept Type

Trade ID Narrative Include Deleted

<input type="checkbox"/>	Flag	TradeID	Acct Cntr	Issuer	Ccy	Amount	End Date	Start Date	Category	Narrative
<input type="checkbox"/>		GRT100015.01	TFS-SG	DBS-SG	SGD	15,000,000.00	15 Dec 2017	16 Dec 2016	Banker Guarantee	

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.
9-May-2023	TS	Updated to W6 instructions and screenshots.