

Foreign Exchange Outright Base - with TDate Journal

PURPOSE

To show illustration of foreign exchange outright base with transaction date journal.

OVERVIEW

- i. Foreign Exchange outright transaction revalued at period and using market spot rates.
- ii. Settlement amounts are journalled to FRX: Deals Payables or Receivables accounts in the general ledger.

TRANSACTION DETAILS

Accounting Base Ccy	
Trade ID	
Trade Date	
Value Date	
Transaction	
Against Currency Settlement	
Buy Amount	
Sell Amount	
SGD	
FRX1001	
25-Mar-03	
3-Apr-03	
Sell GBP	
SGD	

SGD 2,550,000.00

GBP 1,000,000.00

SUMMARY OF JOURNALS

ID	Date	Description
J1	25-Mar-03	Trade Date
J2	25-Mar-03	Trade Date
J3	31-Mar-03	Month end revaluation
J4	1-Apr-03	Reversal of Month end revaluation
J5	3-Apr-03	Settlement of Trade
J6	3-Apr-03	Settlement of Trade
J7	31-Mar-03	Month End Revaluation (Manual Update of MTM)

J1 Trade Date

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	25-Mar-03	B	FRX : Deals Receivables	SGD	2,550,000.00	1.000000	SGD	2,550,000.00	J1a
FRX1001	25-Mar-03	B	FX Cash Clearing Account	SGD	-2,550,000.00	1.000000	SGD	-2,550,000.00	J1b

J2 Trade Date

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	25-Mar-03	B	FRX : Deals Payables	GBP	-1,000,000.00	2.550000	SGD	-2,550,000.00	J2a
FRX1001	25-Mar-03	B	FX Cash Clearing Account	GBP	1,000,000.00	2.550000	SGD	2,550,000.00	J2b

Note J2a: The exchange rate on trade date is 2.550000 (Contract rate).

J3**Month end revaluation**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	31-Mar-03	B	FRX : Deal Payables	GBP	0.00	0.000000	SGD	42,250.00	J3a
FRX1001	31-Mar-03	P	FX - Unrealised Gains - FX Trade	GBP	0.00	0.000000	SGD	-42,250.00	J3b

Note J3b: The FX revaluation Profit/Loss is analysed as follows:

Trade ID	Market Rate	Contract Rate	Non Base Amt	Profit/(Losses)
FRX1001	2.507750	2.550000	-1,000,000.00	42,250.00
			Net P/L	42,250.00

Market Rate is exchange rate on 31-Mar-03. See Exchange Rates below.

MTM can also be updated manually in the system for a FX trade. If the MTM is manually updated, please see J7 for the journals generated.

J4**Reversal of Month end revaluation**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	1-Apr-03	P	FX - Unrealised Gains - FX Trade	GBP	0.00	0.000000	SGD	42,250.00	J4a
FRX1001	1-Apr-03	B	FRX : Deal Payables	GBP	0.00	0.000000	SGD	-42,250.00	J4b

J5**Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
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TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	3-Apr-03	B	Cash at Bank	SGD	2,550,000.00	1.000000	SGD	2,550,000.00	J5a
FRX1001	3-Apr-03	B	FRX : Deal Receiveables	SGD	-2,550,000.00	1.000000	SGD	-2,550,000.00	J5b

J6 Settlement of Trade

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	3-Apr-03	B	Cash at Bank	GBP	-1,000,000.00	2.502920	SGD	-2,502,920.00	J6a
FRX1001	3-Apr-03	B	FRX : Deals Payables	GBP	1,000,000.00	2.550000	SGD	2,550,000.00	J6b
FRX1001	3-Apr-03	P	FX - Realised Gains - FX Trade	GBP	0.00	0.000000	SGD	-47,080.00	J6c

Note J6a: Exchange rate on Value Date is 2.502920. See Exchange Rates below.

Note J6c: The FX Realised Profit/Loss is analysed as follows:

Trade ID	Market Rate	Contract Rate	Non Base Amt	Profit/(Losses)
FRX1001	2.502920	2.550000	-1,000,000.00	47,080.00
			Net P/L	47,080.00

Market Rate is exchange rate on 03-Apr-03. See Exchange Rates below.

J7 Month End Revaluation (Manual Update of MTM)

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
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TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	31-Mar-03	B	FRX : Derivative Liability Fair Value	SGD	41,985.00	0.000000	SGD	41,985.00	J7a
FRX1001	31-Mar-03	P	FX - Unrealised Gains - FX Trade	SGD	-41,985.00	0.000000	SGD	-41,985.00	J7b

Note J7b: The MTM value as at 31-Mar-2003 is maintained manually at the Foreign Exchange screen.

EXCHANGE RATES

The following rates were used for illustration.

Spot Rate

Date	USD/SGD
31-Mar-03	2.507750
3-Apr-03	2.502920

*Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

[Update FX MTM](#)

CHANGE HISTORY

Date	By	Changes
28-Jul-2008	CS	Creation.
18-Oct-2016	Cas	Reformatted.
22-May-2017	TS	Added journals for manual updating of FX MTM.

Date	By	Changes
24-Apr-2020	LT	Re-formatting.