Foreign Exchange Rollover

PURPOSE

To show illustration of foreign exchange rollover.

OVERVIEW

In a FX rollover, CS Lucas automatically create a new FX Transaction that cancel off with the original FX trade and a new FX Transaction for the forward settlement. The settlement is cleared through a "clearing account".

SUMMARY OF JOURNALS

ID	Description
Case 1	Historical Rate Rollover (Full)
Case 2	Historical Rate Rollover (Partial)
Case 3	Current Rate Rollover (Full)
Case 4	Historical Rate Roll Back (Full)
Case 5	Current Rate Roll Back (Full)

The accounting is deal with as illustrated below.

JOURNAL DETAILS

Case 1 **Historical Rate Rollover (Full)**

Original FX

Clearing Cash Account

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate				USD	SGD
15-Feb-02	FRX101	USD	1,000.00	SGD	-1,700.00	1.700000				1,000.00	-1,700.00

Rollover as historical rate to 20-Feb-02

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX105	USD	-1,000.00	SGD	1,700.00	1.700000		-1,000.00	1,700.00
20-Feb-02	FRX106	USD	1,000.00	SGD	-1,700.00	1.710000			
							Net	0.00	0.00

Note: FRX105 and FRX106 are automatically booked by the system.

The accounting entry for FRX105 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-1,000.00	1.712300	SGD	-1,712.30
FRX105	15-Feb-02	B	FX Cash Clearing Account	USD	1,000.00	1.712300	SGD	1,712.30

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	1,700.00	1.000000	SGD	1,700.00
FRX105	15-Feb-02	B	FX Cash Clearing Account	SGD	-1,700.00	1.000000	SGD	-1,700.00

The accounting entry for FRX106 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	USD	1,000.00	1.721000	SGD	1,721.00
FRX106	20-Feb-02	B	FX Cash Clearing Account	USD	-1,000.00	1.721000	SGD	-1,721.00

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	SGD	-1,710.00	1.000000	SGD	-1,710.00
FRX106	20-Feb-02	B	FX Cash Clearing Account	SGD	1,710.00	1.000000	SGD	1,710.00

+ Exchange rates used on the journals above are spot exchange rates on value dates. See Exchange Rates below.

Case 2 **Historical Rate Rollover (Partial)**

Original FX

Clearing Cash Account

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX101	USD	1,000.00	SGD	-1,700.00	1.700000		1,000.00	-1,700.00

Rollover as historical rate to 20-Feb-02

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX105	USD	-700.00	SGD	1,190.00	1.700000		-700.00	1,190.00

20-Feb-02	FRX106	USD	700.00	SGD	-1,197.00	1.710000			

Residual Settlement on 15-Feb-02

VDate	TradeID	Ccy						USD	SGD
15-Feb-02	CDL201	USD	Inflow USD 300.					-300.00	
15-Feb-02	CDL202	SGD	Outflow SGD 510.						510.00
							Net	0.00	0.00

Note: **FRX105, FRX106, CDL201 and CDL202 are automatically booked by the system.**

The accounting entry for FRX105 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-700.00	1.712300	SGD	-1,198.61
FRX105	15-Feb-02	B	FX Cash Clearing Account	USD	700.00	1.712300	SGD	1,198.61

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	1,190.00	1.000000	SGD	1,190.00
FRX105	15-Feb-02	B	FX Cash Clearing Account	SGD	-1,190.00	1.000000	SGD	-1,190.00

The accounting entry for FRX106 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	USD	700.00	1.721000	SGD	1,204.70
FRX106	20-Feb-02	B	FX Cash Clearing Account	USD	-700.00	1.721000	SGD	-1,204.70

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	SGD	-1,197.00	1.000000	SGD	-1,197.00
FRX106	20-Feb-02	B	FX Cash Clearing Account	SGD	1,197.00	1.000000	SGD	1,197.00

The accounting entry for CDL201 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
CDL201	15-Feb-02	B	Cash at Bank	USD	300.00	1.712300	SGD	513.69
CDL201	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-300.00	1.712300	SGD	-513.69

The accounting entry for CDL202 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
CDL202	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	510.00	1.000000	SGD	510.00
CDL202	15-Feb-02	B	Cash at Bank	SGD	-510.00	1.000000	SGD	-510.00

+ Exchange rates used on the journals above are spot exchange rates on value dates. See Exchange Rates below.

Case 3 **Current Rate Rollover (Full)**

Original FX

Clearing Cash Account

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX101	USD	1,000.00	SGD	-1,700.00	1.700000		1,000.00	-1,700.00

Rollover as current rate to 20-Feb-02

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX105	USD	-1,000.00	SGD	1,705.00	1.705000		-1,000.00	1,705.00
20-Feb-02	FRX106	USD	1,000.00	SGD	-1,710.00	1.710000			

Net Settlement on 15-Feb-02

VDate	TradeID	Ccy						USD	SGD
15-Feb-02	CDL201	SGD	Inflow SGD 5.00						-5.00
							Net	0.00	0.00

Note: **FRX105, FRX106 and CDL201 are automatically booked by the system.**

The accounting entry for FRX105 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-1,000.00	1.712300	SGD	-1,712.30
FRX105	15-Feb-02	B	FX Cash Clearing Account	USD	1,000.00	1.712300	SGD	1,712.30
TradeID	**PostDate**	**B/P**	**Account**	**Ccy**	**Ccy Amt D/(CR)**	**Rate+**	**Base**	**Base Amt D/(CR)**
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	1,705.00	1.000000	SGD	1,705.00
FRX105	15-Feb-02	B	FX Cash Clearing Account	SGD	-1,705.00	1.000000	SGD	-1,705.00

The accounting entry for FRX106 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	USD	1,000.00	1.721000	SGD	1,721.00

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	FX Cash Clearing Account	USD	-1,000.00	1.721000	SGD	-1,721.00

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	20-Feb-02	B	Cash at Bank	SGD	-1,710.00	1.000000	SGD	-1,710.00
FRX106	20-Feb-02	B	FX Cash Clearing Account	SGD	1,710.00	1.000000	SGD	1,710.00

The accounting entry for CDL201 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
CDL201	15-Feb-02	B	Cash at Bank	SGD	5.00	1.000000	SGD	5.00
CDL201	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	-5.00	1.000000	SGD	-5.00

+ Exchange rates used on the journals above are spot exchange rates on value dates. See Exchange Rates below.

Case 4 **Hisotrical Rate Roll Back (Full)**

Original FX

Clearing Cash Account

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate				USD	SGD
15-Feb-02	FRX101	USD	1,000.00	SGD	-1,700.00	1.700000				1,000.00	-1,700.00

Rollback as historical rate to 12-Feb-02

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX105	USD	-1,000.00	SGD	1,700.00	1.700000		-1,000.00	1,700.00
12-Feb-02	FRX106	USD	1,000.00	SGD	-1,710.00	1.710000			
							Net	0.00	0.00

Note: FRX105 and FRX106 are automatically booked by the system.

The accounting entry for FRX105 will be as follows:

TradeID	**PostDate**	**B/P**	**Account**	**Ccy**	**Ccy Amt D/(CR)**	**Rate+**	**Base**	**Base Amt D/(CR)**
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-1,000.00	1.712300	SGD	-1,712.30
FRX105	15-Feb-02	B	FX Cash Clearing Account	USD	1,000.00	1.712300	SGD	1,712.30

TradeID	**PostDate**	**B/P**	**Account**	**Ccy**	**Ccy Amt D/(CR)**	**Rate+**	**Base**	**Base Amt D/(CR)**
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	1,700.00	1.000000	SGD	1,700.00

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	FX Cash Clearing Account	SGD	-1,700.00	1.000000	SGD	-1,700.00

The accounting entry for FRX106 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	12-Feb-02	B	Cash at Bank	USD	1,000.00	1.712200	SGD	1,712.20
FRX106	12-Feb-02	B	FX Cash Clearing Account	USD	-1,000.00	1.712200	SGD	-1,712.20

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	12-Feb-02	B	Cash at Bank	SGD	-1,710.00	1.000000	SGD	-1,710.00
FRX106	12-Feb-02	B	FX Cash Clearing Account	SGD	1,710.00	1.000000	SGD	1,710.00

+ Exchange rates used on the journals above are spot exchange rates on value dates. See Exchange Rates below.

Case 5 **Current Rate Roll Back (Full)**

Original FX

Clearing Cash Account

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX101	USD	1,000.00	SGD	-1,700.00	1.700000		1,000.00	-1,700.00

Rollback as current rate to 12-Feb-02

VDate	TradeID	Ccy	Buy/(Sell) Amount	Ccy	Buy/(Sell) Amount	Rate		USD	SGD
15-Feb-02	FRX105	USD	-1,000.00	SGD	1,705.00	1.705000		-1,000.00	1,705.00
12-Feb-02	FRX106	USD	1,000.00	SGD	-1,710.00	1.710000			

Net Settlement on 15-Feb-02

VDate	TradeID	Ccy						USD	SGD
15-Feb-02	CDL201	SGD	Inflow SGD 5.00						-5.00
							Net	0.00	0.00

Note: **FRX105, FRX106 and CDL201 are automatically booked by the system.**

The accounting entry for FRX105 will be as follows:

TradeID	**PostDate**	**B/P**	**Account**	**Ccy**	**Ccy Amt D/(CR)**	**Rate+**	**Base**	**Base Amt D/(CR)**
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	USD	-1,000.00	1.712300	SGD	-1,712.30
FRX105	15-Feb-02	B	FX Cash Clearing Account	USD	1,000.00	1.712300	SGD	1,712.30

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX105	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	1,705.00	1.000000	SGD	1,705.00
FRX105	15-Feb-02	B	FX Cash Clearing Account	SGD	-1,705.00	1.000000	SGD	-1,705.00

The accounting entry for FRX106 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	12-Feb-02	B	Cash at Bank	USD	1,000.00	1.712200	SGD	1,712.20
FRX106	12-Feb-02	B	FX Cash Clearing Account	USD	-1,000.00	1.712200	SGD	-1,712.20

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
FRX106	12-Feb-02	B	Cash at Bank	SGD	-1,710.00	1.000000	SGD	-1,710.00
FRX106	12-Feb-02	B	FX Cash Clearing Account	SGD	1,710.00	1.000000	SGD	1,710.00

The accounting entry for CDL201 will be as follows:

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)

TradeID	PostDate	B/P	Account	Ccy	Ccy Amt D/(CR)	Rate+	Base	Base Amt D/(CR)
CDL201	15-Feb-02	B	Cash at Bank	SGD	5.00	1.000000	SGD	5.00
CDL201	15-Feb-02	B	Cash at Bank (Clearing A/C)	SGD	-5.00	1.000000	SGD	-5.00

+ Exchange rates used on the journals above are spot exchange rates on value dates. See Exchange Rates below.

EXCHANGE RATES

The following rates were used for this illustration.

Spot Rate

SGD	1.000000

Date	USD/SGD
12-Feb-02	1.712200
15-Feb-02	1.712300
20-Feb-02	1.721000

RELATED INFORMATION

FREQUENTLY ASKED QUESTIONS

CHANGE HISTORY

Date	By	Changes
28-Jul-2008	CS	Creation.
23-Jun-2016	RJ	Reformatted.
5-May-2020	LT	Re-formatting.