

Hedge Relationship - By FX Trade Request

PURPOSE

This document explains how to create/ maintain hedge relationship from FX Trade Request and to allocate APAR items.

WHY IS THIS IMPORTANT?

This screen provide a quick method to create hedge relationship between Forecast Transaction, FX Trades and APAR Transaction. This relationship is necessary for managing IFRS & hedge accounting set up.

PROCEDURE

1. From the main menu, click Transaction > Hedging > Maintain Relationship > By FX Trade Request. The below screen is displayed.

Req ID	Fr Date	To Date	Ccy	Forecast	FX ID	HDGID	FX Trade Amt	VDate	Against	APAR Amt
No records found.										

2. To filter for Hedging Relationship - by FX Trade Request, select the accounting centre from the Acct Cntr drop down field and key in mandatory fields Fr Date* and To Date *. Then, click Refresh. The below screen is displayed.

Req ID	Fr Date	To Date	Ccy	Forecast	FX ID	HDGID	FX Trade Amt	VDate	Against	APAR Amt
REQ100002.00	1 Mar 2017	31 Mar 2017	GBP	25,000,000.00	FRX100015.00		-12,500,000.00	15 Mar 2017	SGD	0.00


3. Request items that does not have an existing Hedge Relationship set up between the Forecast and FX transactions would not have a Hedge ID. However, such items has a hyperlink on the Request ID.

4. For Forecast and FX transaction with Hedge Relationship already set up, Hedge ID column will indicate those existing relationship.

Creating Hedging Relationship

5. To create hedge relationship for Forecast and Foreign Exchange transactions, select an item by clicking Request ID hyperlink say e.g. REQ100002.00. The below screen is displayed.

Create Hedge Relationship



Acct Cntr	TFS-SG
Start Date	1 Mar 2017
End Date	31 Mar 2017
Policy*	<input type="text" value="FRS9"/> ▼
Narrative	<div>Forecast GBP vs SGD on 1 Mar 2017 to 31 Mar 2017</div>
Hedge Amt*	<input type="text" value="12,500,000.00"/>

Forecast

Forecast ID	[NEW]
Start Date	1 Mar 2017
End Date	31 Mar 2017
Forecast Ccy	GBP
Forecast Amt	25,000,000.00

FX

FX ID	FRX100015.00
Description	FX Outright: Bought...

6. In this screen, you will see the Forecast and Foreign Exchange transaction to link.

7. To create the hedge relationship, select the policy from the policy drop down field. If you do not see your desired policy, please see user guide to set up the policy, click [here](#).

Narrative is auto populated with the forecast trade request details. This is amendable.

The Hedge Amt * in Create Hedge Relationship screen will be defaulted to FX Trade Amt. This amount will be used to compute the hedge % in hedge relationship. User may change the hedge amount. This may have consequences on accounting.

8. Click on the create button to create a new Hedge Relationship. You will be return to the Hedging Relationship - by FX Trade Request. You can see that a Hedge ID has been assigned.

Hedge Relationship - By FX Trade Request

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Ccy Gp Against Gp

Refresh APAR Allocate ★ ☐ Quick Relationship Create

	Req ID	Fr Date	To Date	Ccy	Forecast	FX ID	HDGID	FX Trade Amt	VDate	Against	APAR Amt
<input type="checkbox"/>	REQ100002.00	1 Mar 2017	31 Mar 2017	GBP	25,000,000.00	FRX100015.00	HDG100004.00	-12,500,000.00	15 Mar 2017	SGD	0.00

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9. To create relationships for multiple requests, tick on the check box of Quick Relationship Create and select the check box of next to the Request ID.

10. Select the policy from the Apply Policy to All drop down field to apply to the selected items and click Create. Hedge ID will be assigned to the selected requests.

Hedge Relationship - By FX Trade Request

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Ccy Gp Against Gp

Refresh APAR Allocate ★ ☒ Quick Relationship Create

Apply Policy to All* FRS9 Create

	Req ID	Fr Date	To Date	Ccy	Forecast	FX ID	HDGID	FX Trade Amt	VDate	Against	APAR Amt
<input checked="" type="checkbox"/>	REQ100002.00	1 Mar 2017	31 Mar 2017	GBP	25,000,000.00	FRX100015.00		-12,500,000.00	15 Mar 2017	SGD	0.00

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APAR Allocation

11. To create and assign APAR, click on APAR Allocate button in Hedging Relationship - by FX Trade Request screen.

12. Select the Acct Cntr, From Date and To Date and Policy and Ccy.

13. Click Refresh.

14. The screen will retrieve those Hedge ID without APAR assignment. In this refresh, the system would have allocated APAR assignment to FX Trades systematically on a FIFO basis.

Hedge Relationship - By FX Trade Request - APAR Allocate

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Policy* FRS9 Ccy GBP

← Refresh Update Export ★

	HDGID	FX ID	VDate	Ccy	Tranx Amt	Rate	Allocated	%	Bccy	Base Amt	
<input type="checkbox"/>	HDG100004.00	FRX100015.00	15 Mar 2017	GBP	-12,500,000.00	1.778524	12,500,000.00	100.00	SGD	22,231,550.00	View

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15. To view the allocation of the APAR items for each Hedge ID, click view. System will display the allocation. This is not editable.

Hedge Relationship - By FX Trade Request - APAR Allocate

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Policy* FRS9 Ccy GBP

← Refresh Update Export ★

	HDGID	FX ID	VDate	Ccy	Tranx Amt	Rate	Allocated	%	Bccy	Base Amt	
<input type="checkbox"/>	HDG100004.00	FRX100015.00	15 Mar 2017	GBP	-12,500,000.00	1.778524	12,500,000.00	100.00	SGD	22,231,550.00	View

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ID	Tranx Date	VDate	Supp/Cust	Reference	Tranx Ccy	Amount	Wt (%)	12,500,000.00	Bccy	22,231,550.00
ERP10002	5 Dec 2016	23 Mar 2017	Test Spp	ar100001	GBP	3,000,000.00	100.00	3,000,000.00	SGD	5,335,200.00
ERP10003	6 Dec 2016	23 Mar 2017	Test Spp	ar100002	GBP	4,000,000.00	100.00	4,000,000.00	SGD	7,114,000.00
ERP10004	7 Dec 2016	23 Mar 2017	Test Spp	ar100003	GBP	5,000,000.00	100.00	5,000,000.00	SGD	8,893,000.00
ERP10005	8 Dec 2016	23 Mar 2017	Test Spp	ar100004	GBP	6,000,000.00	8.33	500,000.00	SGD	889,350.00

16. To export the forecast trade request with the allocated APAR items, click on Export button .

Hedge Relationship - By FX Trade Request - APAR Allocate															
FX ID	VDate	Ccy	Tranx Amt	Rate	ID	Tranx Date	VDate	Supp/Cust	Reference	Tranx Ccy	Amount	Wt (%)	Allocated	Bccy	Base Amt
FRX100015.00	15 Mar 2017	GBP	-12500000	1.778524	ERP10002	5 Dec 2016	23 Mar 2017	Test Spp	ar100001	GBP	3000000	100	3000000	SGD	5335200
FRX100015.00	15 Mar 2017	GBP	-12500000	1.778524	ERP10003	6 Dec 2016	23 Mar 2017	Test Spp	ar100002	GBP	4000000	100	4000000	SGD	7114000
FRX100015.00	15 Mar 2017	GBP	-12500000	1.778524	ERP10004	7 Dec 2016	23 Mar 2017	Test Spp	ar100003	GBP	5000000	100	5000000	SGD	8893000
FRX100015.00	15 Mar 2017	GBP	-12500000	1.778524	ERP10005	8 Dec 2016	23 Mar 2017	Test Spp	ar100004	GBP	6000000	8.333333333	500000	SGD	889350

17. To save the allocation of APAR, select the trade by clicking on the check box(s) beside to Trade ID and click Update.

18. Once updated, Hedge ID with APAR items allocated will not be shown in this screen anymore.


Hedge Relationship - By FX Trade Request - APAR Allocate

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Policy* FRS9 Ccy GBP

← Refresh Update Export ★

HDGID	FX ID	VDate	Ccy	Tranx Amt	Rate	Allocated	%	Bcgy	Base Amt
No records found.									

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19. Click  to return to Hedge Relationship – By FX Trade Request screen. APAR amount will be updated.

Hedge Relationship - By FX Trade Request

Acct Cntr* TFS-SG Fr Date* 01/03/2017 To Date* 31/03/2017 Ccy Gp Against Gp

Refresh APAR Allocate ★ Quick Relationship Create

Req ID	Fr Date	To Date	Ccy	Forecast	FX ID	HDGID	FX Trade Amt	VDate	Against	APAR Amt
REQ100002.00	1 Mar 2017	31 Mar 2017	GBP	25,000,000.00	FRX100015.00	HDG100004.00	-12,500,000.00	15 Mar 2017	SGD	12,500,000.00

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Maintain Hedge Relationship

20. To Maintain Hedge Relationship, select an item by clicking on Hedge ID Hyperlink. The below screen is displayed.

Maintain Hedge Relationship

Hedge ID	HDG100004.00
Acct Cntr	TFS-SG
Start Date	1 Mar 2017
End Date	31 Mar 2017
Policy*	FRS9 <input type="button" value="▼"/>
Narrative	Forecast GBP vs SGD on 1 Mar 2017 to 31 Mar 2017
Hedge Amt*	12,500,000.00

Forecast

Forecast ID	DEU100055.00
Start Date	1 Mar 2017
End Date	31 Mar 2017
Forecast Ccy	GBP
Forecast Amt	25,000,000.00

Foreign Exchange

FX ID	FRX100015.00
Description	FX Outright: Bought...

APAR

APAR ID	DEU100056.00	Delete Allocate Export Allocate
Description	Rec/Buy/Long GBP AP...	

21. In this screen, you will see the Forecast, Foreign Exchange trade and APAR transaction details.
22. To delete the allocated APAR allocation, click on Delete Allocate hyperlink.
23. To export the allocated APAR items, click on Export Allocate hyperlink.
24. To update the details, click on Update button in Maintain Hedge Relationship

screen.

25. To delete hedge relationship, click on Delete button in Maintain Hedge Relationship screen. When this is done, the APAR allocation to the APAR trade will also be released.

26. To return to Hedge Relationship – By Forecast Trade Request screen, click on



button.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

CHANGE HISTORY

Date	By	Changes
02-Apr-2018	Anuja	Created.
30-May-2018	Anuja	Updated with latest screen shots.
02-Mar-2020	Lyra	Updated with latest screen shots.