How to Create Facility and Limit

[See previous W5 version guide]

PURPOSE

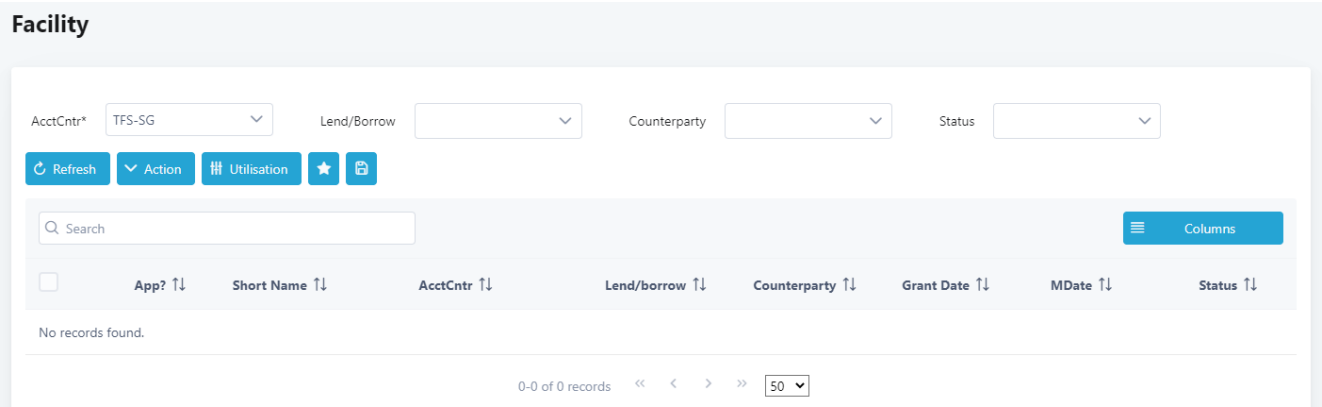
This document contains the detailed procedure on how to create facility and limit in the system.

WHY IS THIS IMPORTANT?

Creating facility and limit provides a framework for maintaining counterparty facility. This is required for booking transactions in CS Lucas system.

PROCEDURE

1. Click Set Up > Risk > Facility to launch the Facility screen.



2. Click on Action and select New. The New Facility screen will be displayed.

New Facility

Cancel | Save | Import

Facility Type*	Capex
Short Name*	
Acct Cntr*	TFS-SG
Borrow/Lend*	
Counterparty*	
Grant Date*	03/03/2023
Draw By Date	dd/mm/yyyy
Maturity Date*	dd/mm/yyyy
Check Trade MDate?	☑
Committed*	No
Status	Open
Rate Type	-
Rate Basis	
Margin(%)*	0.000000
Ann. Fee Rate(%)*	0.000000
Guarantor	
Trustee	
Trust Date	dd/mm/yyyy
Collateral Value	
Country	[Unassigned]
Product Type	[Unassigned]
Description	
Purpose	
Other Info	

3. Fill in the fields. Choose the Facility type. This field is user definable. To see instructions on how to create user definable field, click here.

4. Input a facility name preferred in the Short Name field. For example, CITI-SG-100M.

5. Choose the Accounting Centre from the dropdown.

6. Choose from the dropdown on the Borrow/Lend field. It could be Borrow, Lend or Trading. In this example, we will select Borrow.

7. Select Counterparty, in this example, CITI-SG is chosen.

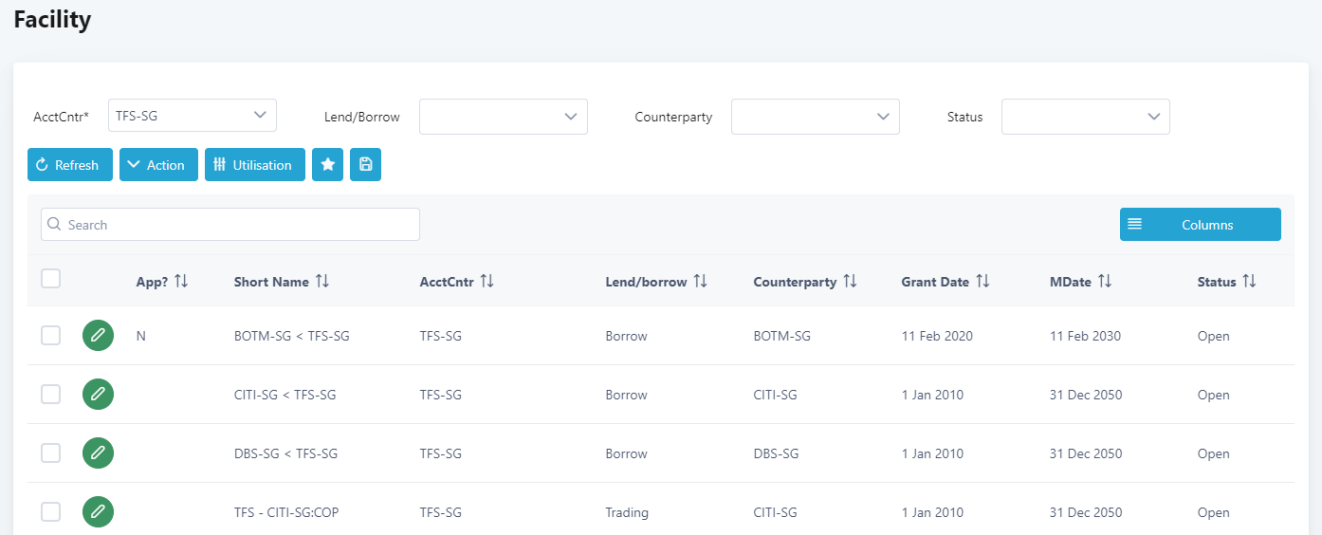
8. Enter the Grant Date, Draw by Date then the Maturity Date. Draw by Date is optional.

9. Check Trade Mdate is defaulted to ticked. This means that the facility can only be used on or in between the facility's grant date and maturity date. You may untick this box if you do not wish the system to check that the trade's maturity date must be in between the facility's grant date and maturity date.

10. In the Committed field, choose Yes for committed facility or No for facility that is uncommitted. Default is Yes.

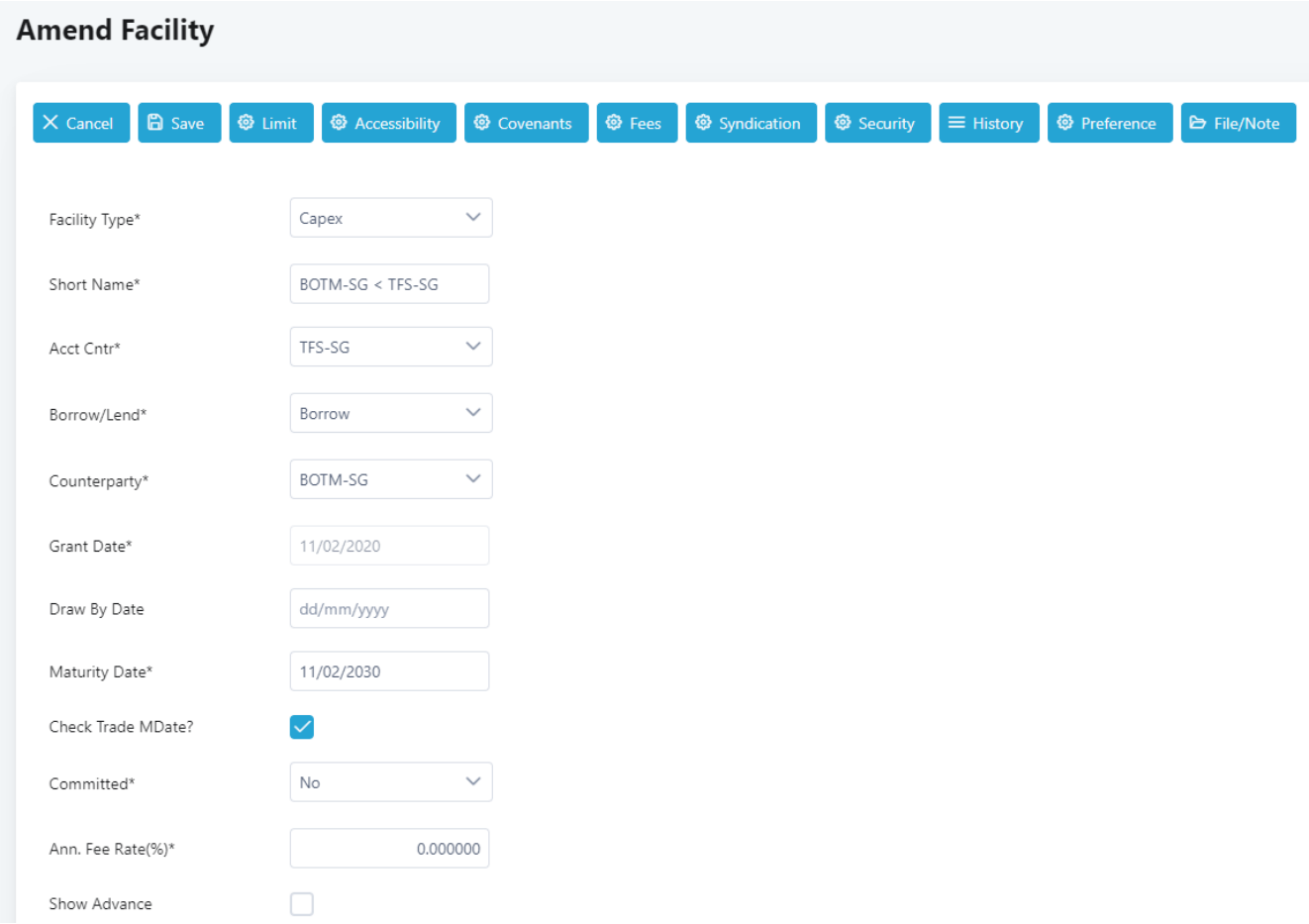
11. As all mandatory fields with * are all filled, you may click Save. Other fields are optional.

12. You will see the newly created facility short name appears at the top of the list and this requires approval. Click on the tick box on the left of the new facility short name and click Action and Approve.

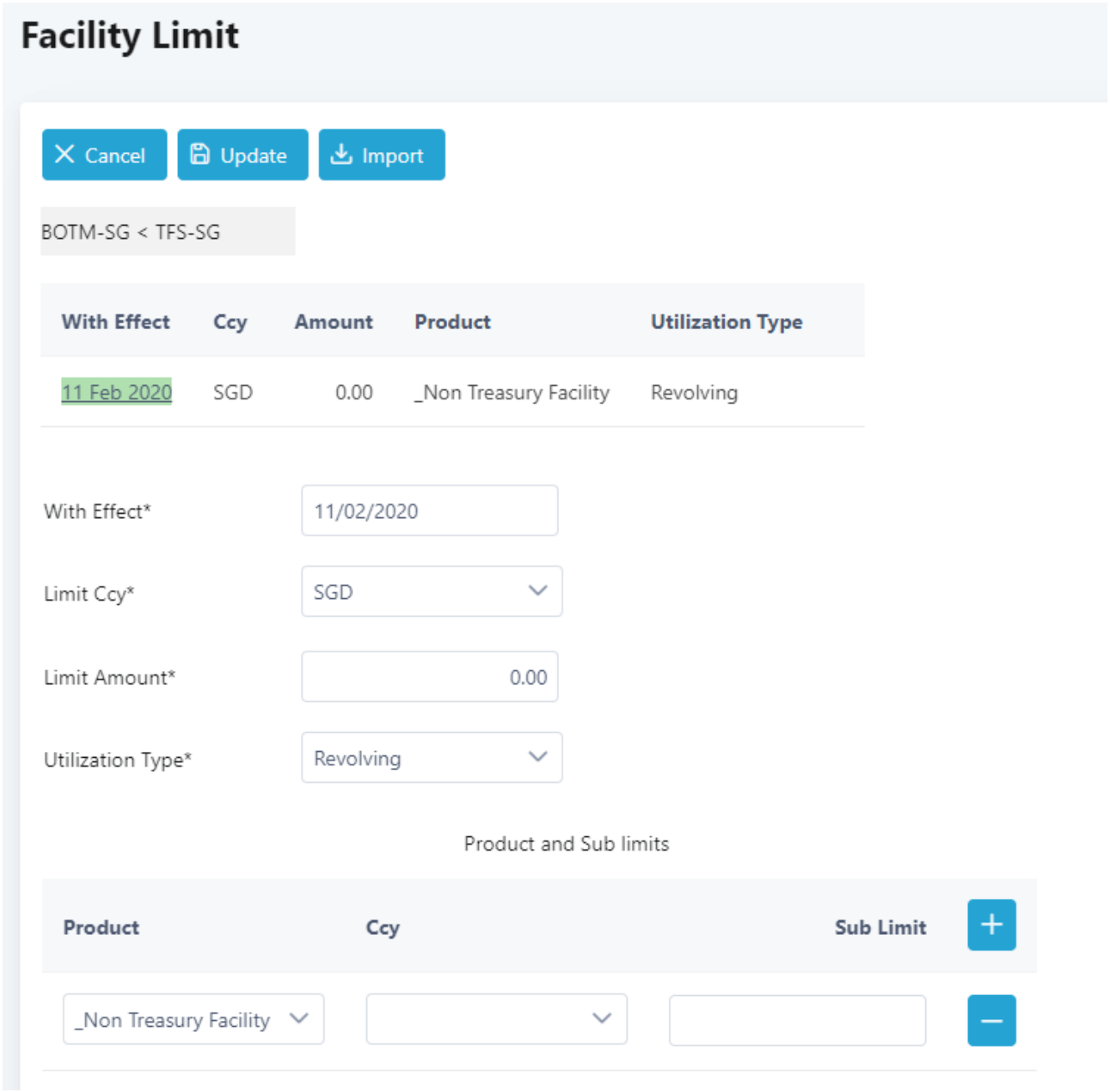


13. Next, to assign limit, click on the Edit button of the facility. In this example, the limit will be set up for the new facility BOTM-SG < TFS-SG.

14. The Amend Facility screen will be displayed.



15. Click Limit to go to the Facility Limit screen.



16. In the With Effect field, input the date when you want the limit to take effect. This date cannot be before the facility's grant date.

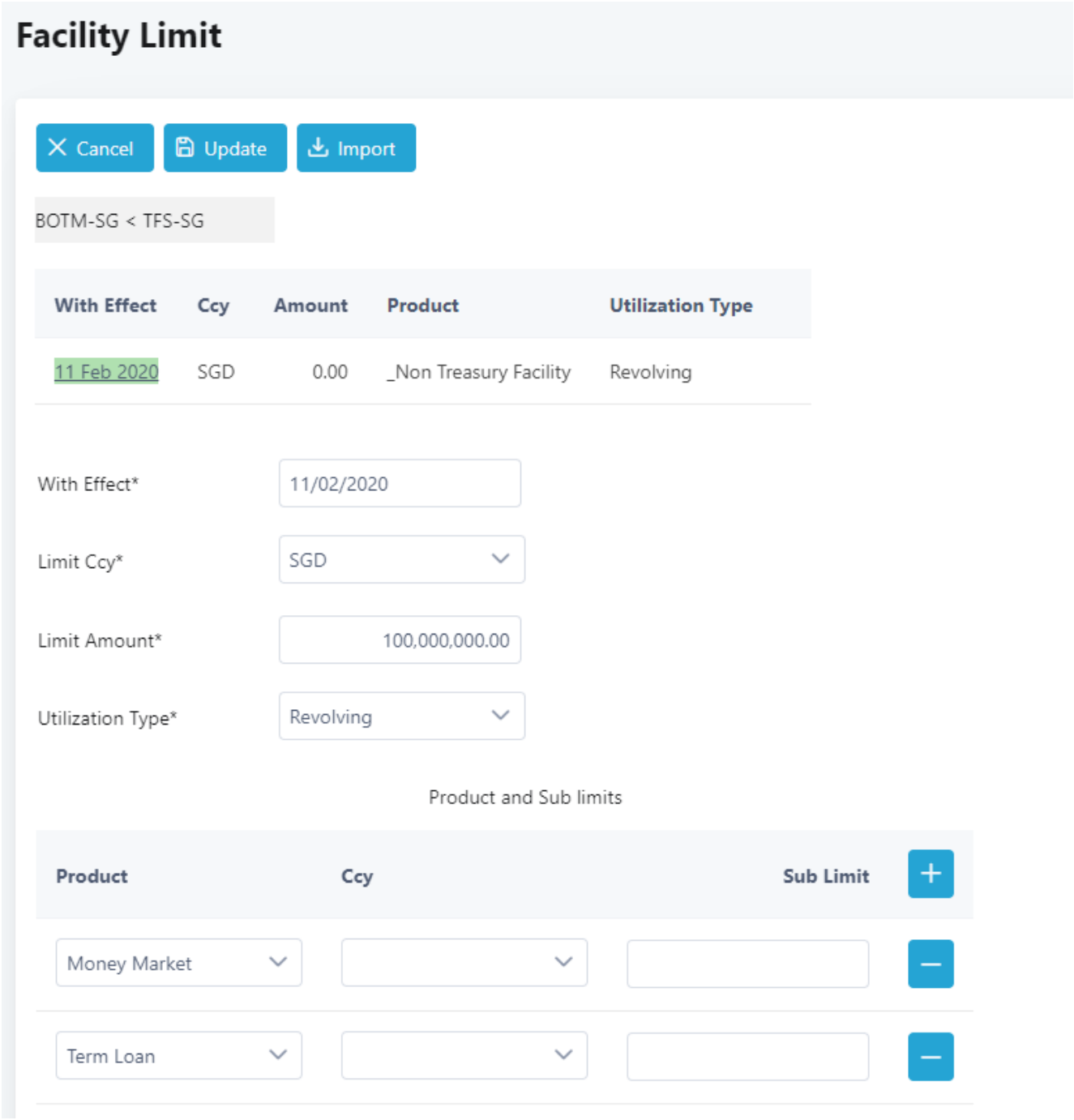
17. Choose the Currency in the Limit Ccy field.

18. Specify the Limit Amount.

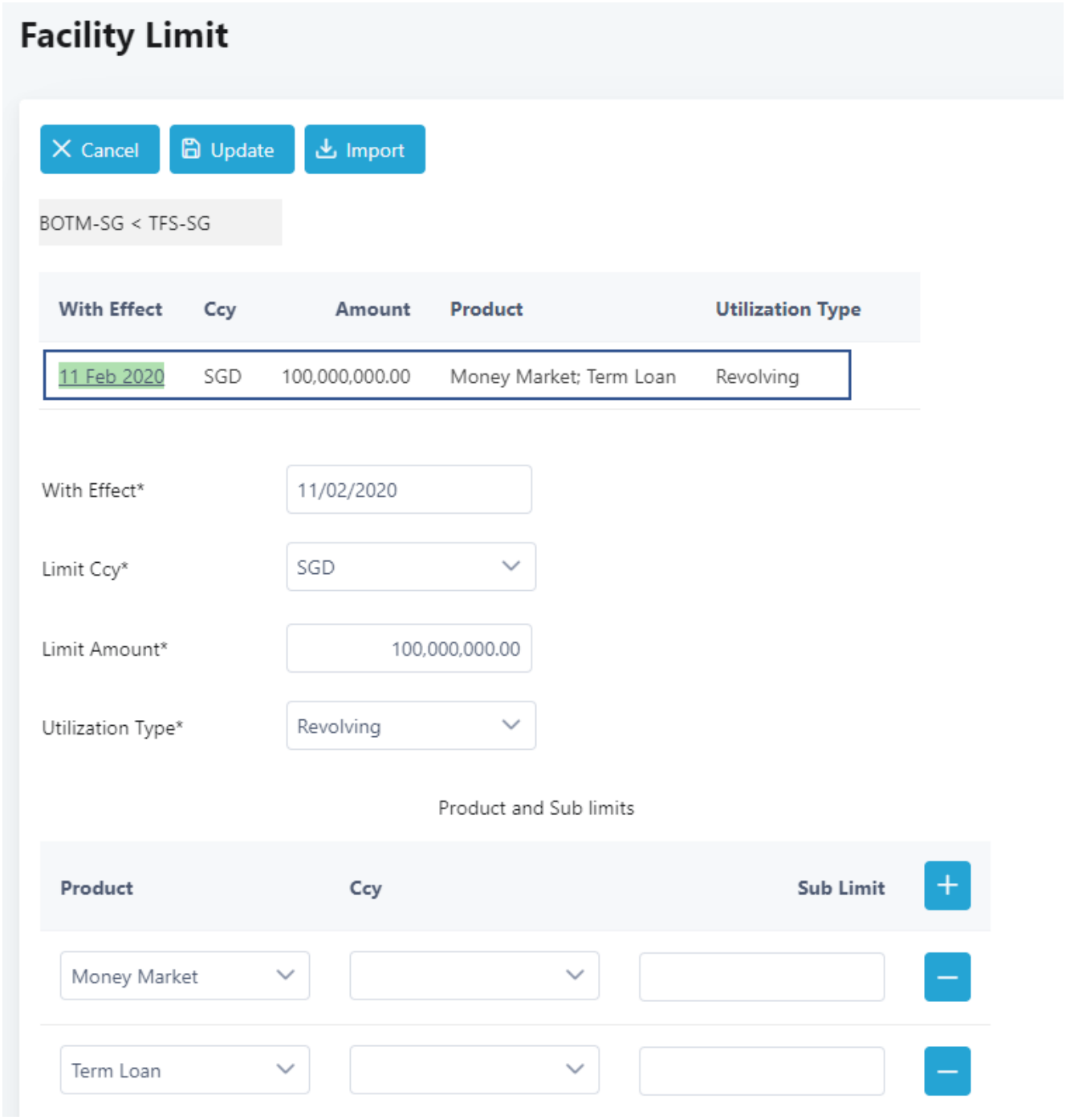
19. In the Utilization Type choose from the drop down. It can be Revolving, Multiple Draw and Single Draw. Default is Revolving.

20. Under the Product and Sub limits section, select the type of transaction to use by choosing from the drop down under Product.

21. Specify the sub limits by choosing the currency in the Ccy field and then filling out an amount under Sub Limit column. Leave them blank if it is not needed. When left blank, all products that are assigned to this facility will share on the overall limit you set up. In this example, we will assign two products, Money Market and Term Loan to use on this limit. Click Add Button to new row for adding new product.

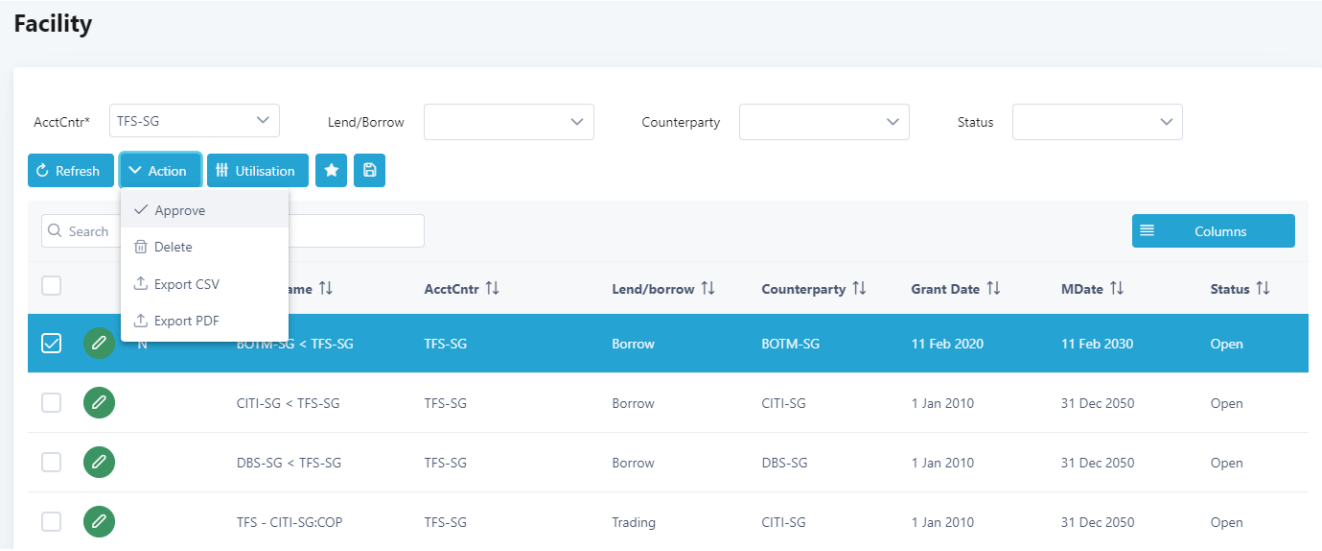


22. Click Update. The facility limit table above in the Facility Limit screen will be updated.



23. Click on the Cancel button to return to Amend Facility screen. Click Cancel button again to return to Facility listing screen.

24. Approval is needed to complete the set up. Click on the tick box beside the facility being set up.



25. Click Action and Approve .

26. Click Yes at the prompt to confirm.

FREQUENTLY ASKED QUESTIONS

FAQ01. How the system restricts user access to facility details?

Certain facility reports may be extracted by user selected accounting centre grouping.

The user may select those accounting centre for which he has been granted explicit access.

In addition to these explicit accounting centre group, the user may also have access group the facility reports for other accounting centre group provided these other accounting centre groups consist entirely of accounting centre which the user already have explicit access.

This is illustrated as follows:

Entity Group										
Entity	AG1	AG2	AG3	AG4	AG5	AG6	AG7	AG8	AG9	AG10
AC1	x			x	x	x	x	x	x	x
AC2	x				x	x	x	x	x	x
AC3		x				x	x	x	x	x
AC4		x					x	x	x	x
AC5			x					x	x	x
AC6			x						x	x
AC7			x							x

If user has been assigned access to AG4, he has explicit access to accounting centre AC1. The user may only view AG4.

If user has been assigned access to AG5, he has explicit access to AC1 and AC2. Since AG1 consists only of accounting centre for which he already has explicit access through AG5, he will also be granted access to AG1. He will also be granted access to AG4 for the same reason.

If user has been assigned access to AG6, he has explicit access to AC1, AC2 and AC3. Since AG1 consists only of accounting centre for which he already has explicit access through AG6, he will also be granted access to AG1. He will also be granted to AG4 and AG5 for the same reason. However, he will not have access to AG2 because AG2 contains AC4 to which no explicit access has been granted.

Finally a user assigned with AG10 will have access to all accounting centre group AG1 to AG10.

Note:
It is assumed that user groups are set up which grant permission to access the reports and are bind to AG4, AG5 etc… and that users are associated with these user groups.

FAQ02. I created a new counterparty but I cannot find it while setting up a new facility. Why?

The counterparty drop down field in the facility set up may be set up as restricted list which you can only see the counterparty which is of the same region as the accounting centre. If you do not see the desired counterparty in the drop down list, please check your set up for “Acct Cntr/ Ctpy Group” in the Entity Preference for the accounting centre and Counterparty Preference for the counterparty. They must be tagged to the same region. See section V. Accounting Centre Region Tagging in Entity Preference Set Up.

FAQ03. How to show full list of counterparty in facility set up screen?

The counterparty list in the facility set up is controlled by access rights. To see full list of counterparty, you need the following rights assigned.



FAQ04. When setting up an intercompany facility to a subsidiary, can I restrict the list of accounting centres shown in the Counterparty drop down list to show only the accounting centres of the accounting centre group that I have the access to?

The accounting centre list is not restricted by default. To restrict the accounting centre list, you need the following rights assigned.



FAQ05. What does each utilization type means?

The following explains the utilization type.

(i) Revolving – When a borrowing is repaid, the limit becomes available again and the user can draw down again against the counterparty. This type of facility is revolver.

(ii) Single Draw – This type of facility can only be drawn once and the line cannot be used again even if the borrower has repaid the original amount.

(iii) Multiple Draw – This type of facility allows multiple draws on the line. For each draw down, the limit amount is reduced and will not be restored back if any of the borrowing is repaid.

RELATED INFORMATION

Set up an Umbrella Facility

Computation of Facility Utilization

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created.
28-Jul-2015	CS	Included section for FAQ.
1-Feb-2016	Clarissa	Reformatted. Rewritten.
1-Jun-2016	TS	Updated.
14-Dec-2017	Anuja	Updated FAQ02 and FAQ03.
16-Aug-2018	Silpa	Updated FAQ04.
24-Aug-2018	Silpa	Updated step 1.
8-Jul-2019	TS	Added FAQ05.
15-Nov-2019	Lyra	Updated screenshots.
3-Mar-2023	TS	Updated to W6 instructions and screenshots.