Maintain Hedging Policy

See the previous W5 version guide.

PURPOSE

This document shows the detailed procedure of maintaining hedging policy in the system.

WHY IS THIS IMPORTANT?

Hedging policy is required for creating hedging relationship in the system.

PROCEDURE

1. From the main menu, click Transaction > Hedging > Maintenance > Policy. The below screen will be displayed.



2. To create a new policy, click New.



3. Enter a short name for the hedging policy.

4. Select the Risk Type whether is a foreign exchange risk or interest rate risk.

5. Select the hedge type, cash flow or fair value.

6. Effectiveness Lower (%) is defaulted to 80.00. You may change it.

7 . Effectiveness Upper (%) is defaulted to 125.00. You may change it.

8. Select the Test Methodology whether based on Dollar Offset or Regression Analysis.

9. Lastly, you may enter the stress level, +/- in percentage. This is optional field.



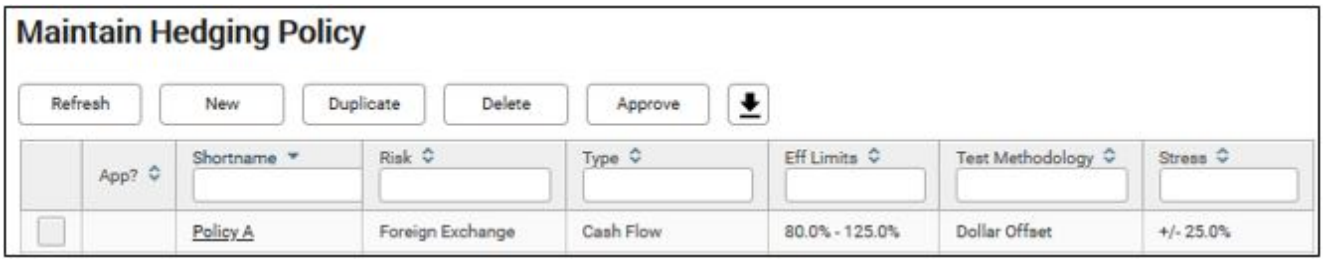
10. Click Create.

11. A popup appears, click OK to confirm.

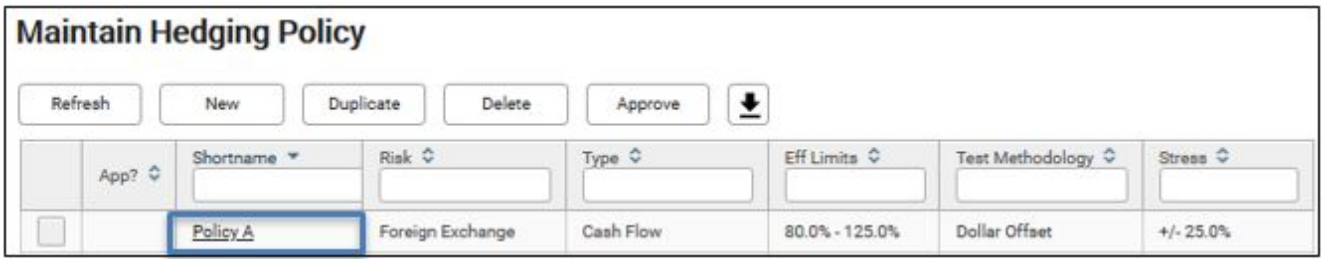
12. You will be returned to Maintain Hedging Policy screen.



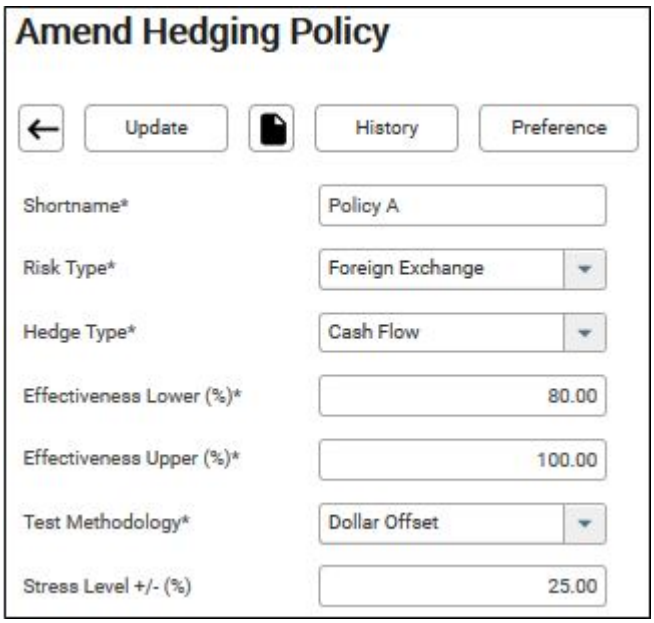
13. Newly created policy will need to be approved. Tick on the checkbox of the newly created policy and click Approve. Once approved, you will not see an “N”.



14. To amend a policy, simply click on the policy short name.



15. In the Amend Hedging Policy screen, amend the fields accordingly.

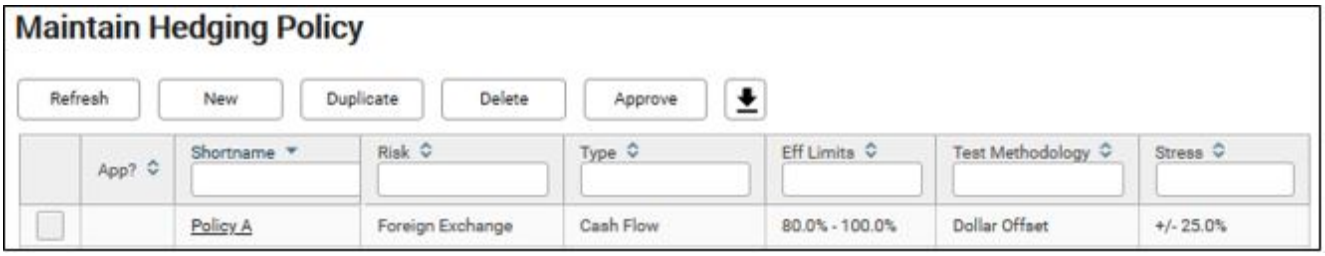


16. Click Update when completed. All the changes made will be logged under the History button.

17. You will be returned to Maintain Hedging Policy screen.

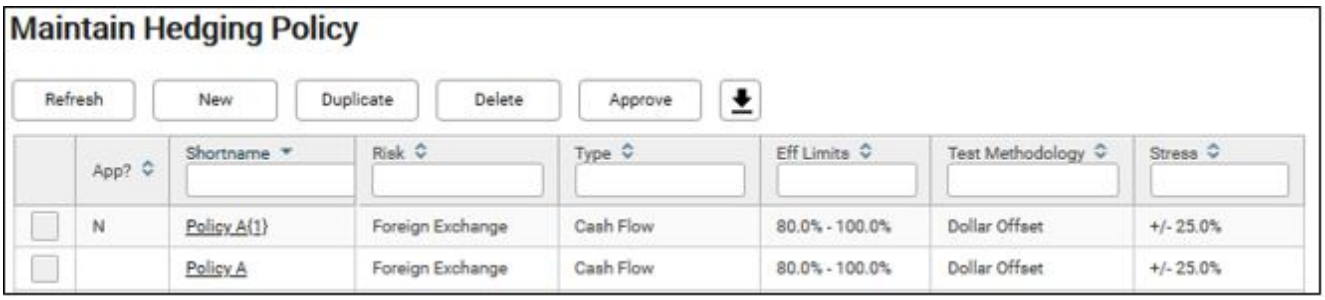


18. Amended policy requires approval. Tick on the checkbox of the amended policy and click Approve.

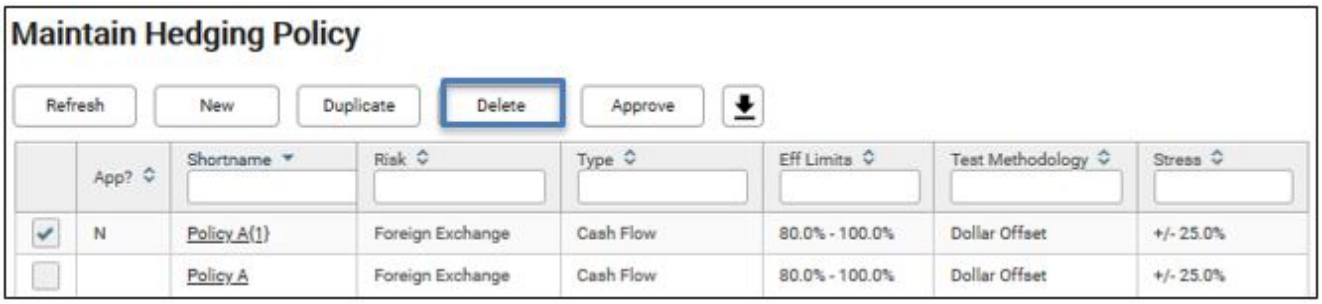


19. If you need to duplicate a policy, select the policy to duplicate by ticking on its checkbox and click Duplicate.

20. The policy will be duplicated.

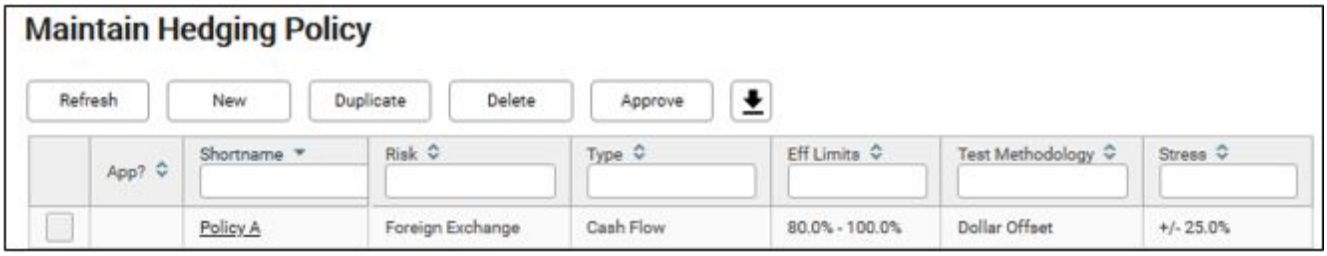


21. To delete a policy, tick on the checkbox of the policy to be deleted and click Delete.



22. A popup appears to confirm to delete the selected policy. Click OK.

23. The policy will be deleted.



FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Maintain Hedging Relationship

CHANGE HISTORY

Date	By	Changes
20-Dec-2016	TS	Created.
5-Jun-2018	Anuja	Updated instruction in step 1 and latest screen shots.
9-Dec-2019	Lyra	Updated Screenshots.