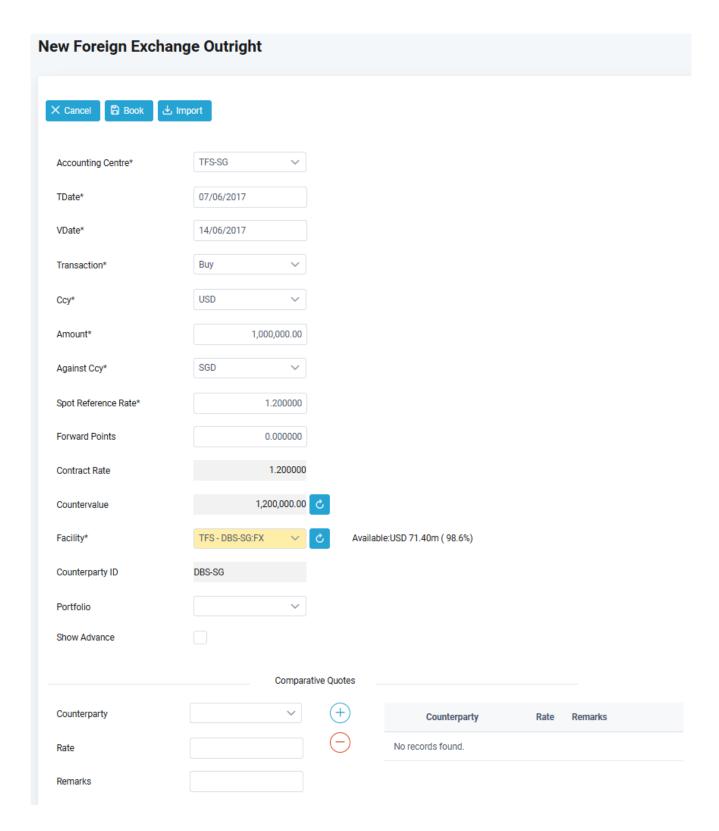# Settlement to Intercompany

PURPOSE

This document explains the procedure to instruct the bank counterparty to make payment to another entity's bank account and how the system handle the accounting journals.

WHY IS THIS IMPORTANT?

This is important when an entity is authorized to trade but the traded amount is required by intercompany entity. After a trade is done, an entity can instruct their bank counterparty to make payment directly to the intercompany entity's bank account instead of crediting to their bank account. Sometimes, an entity may not have the bank account in the currency of the transaction.

PROCEDURE

1. The following example shows a Foreign Exchange trade booked, TFS-SG buy USD 1,000,000.00 against SGD with DBS bank.

New Foreign Exchange Outright

[✕ Cancel] [💾 Book] [⬇ Import]

Accounting Centre*	TFS-SG ⌄
TDate*	07/06/2017
VDate*	14/06/2017
Transaction*	Buy ⌄
Ccy*	USD ⌄
Amount*	1,000,000.00
Against Ccy*	SGD ⌄
Spot Reference Rate*	1.200000
Forward Points	0.000000
Contract Rate	1.200000
Countervalue	1,200,000.00 ↻
Facility*	TFS - DBS-SG:FX ⌄ ↻ Available:USD 71.40m (98.6%)
Counterparty ID	DBS-SG
Portfolio	⌄
Show Advance	☐

Comparative Quotes

			Counterparty	Rate	Remarks
Counterparty	⌄	⊕	No records found.		
Rate		⊖			
Remarks					

2. In Cash Settlement screen, you will see two cash flows (USD and SGD) created from this Foreign Exchange trade.

Cash Settlement

	Vdate ↑↓	TradeID ↑↓	Acct Cntr ↑↓	Ctpy ↑↓	Ccy ↑↓	Amount ↑↓	Std ↑↓	Assigned SSI ↑↓	Net ID ↑↓	Gp ID ↑↓	Trade Details ↑↓
	14 Jun 2017	FRX100043.00	TFS-SG	DBS-SG	SGD	-1,200,000.00		TF-DB-SGD	-		FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:- [admin@devent1.com]; Narrative: -
	14 Jun 2017	FRX100043.00	TFS-SG	DBS-SG	USD	1,000,000.00		TF-CI-USD	-		FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:- [admin@devent1.com]; Narrative: -

1-2 of 2 records

3. To instruct DBS bank to credit USD to another entity TGL-SG's bank account, click on the USD cash flow of this Foreign Exchange trade.

4. Select the entity of the bank account to credit to from the Acct Cntr drop down field on the left menu and select the bank account. In this example, TGL-SG is selected and bank account to be credited is TGL-USD-ANZ-389.

5. Next, select the counterparty's bank account from which the USD 1,000,000.00 will be debited from.

Amend Cash Settlement

[X Cancel] [🖫 Update] [≡ History]

Description

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:- [admin@devent1.com]

Trade ID	FRX100043.00	⊕	**Our SSI**	**Their SSI**		**Amount**	**Description**
Vdate	14 Jun 2017	⊖	No records found.				
Acct Cntr	TFS-SG				Total	0.00	
Ccy	USD						
Amount	1,000,000.00						
Acct Cntr	TGL-SG ⌄						
Bank Account	TGL-USD-ANZ-389 ⌄				—		
Amount	1,000,000.00						
Description							

Counterparty   DBS-SG ⌄

Bank Account   DBS-SG-USD ⌄

——— Settlement Charges ———

Payment Amt*   [   ]

Our SSI*   [⌄]

Description   [   ]

6. Click ⊕ .

7. The assigned settlement instructions will be updated to the table listing on your right.

Amend Cash Settlement

[✕ Cancel] [🖫 Update] [☰ History]

Description

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:-
[admin@devent1.com]

				Our SSI	Their SSI	Amount	Description
Trade ID	FRX100043.00	⊕					
Vdate	14 Jun 2017	⊖	☐	TGL-USD-ANZ-389	DBS-SG-USD	1,000,000.00	
Acct Cntr	TFS-SG						
Ccy	USD				Total	1,000,000.00	
Amount	1,000,000.00						
Acct Cntr	TGL-SG ⌄						
Bank Account	TG-CI-USD ⌄						
Amount	0.00						
Description							

Counterparty — DBS-SG ⌄

Bank Account — (Temporary USD) ⌄

—————— Settlement Charges ——————

Payment Amt*

Our SSI* ⌄

Description

8. Click Update.

9. Assign the settlement instructions as per normal for the SGD cash flow. In this example, SGD 1,200,000.00 will be debited from TFS-SG's TFS-SG-CITI-SG-S428 account to DBS bank account DBS-SG-SGD.

Amend Cash Settlement

[X Cancel] [💾 Update] [☰ History]

Description

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:-
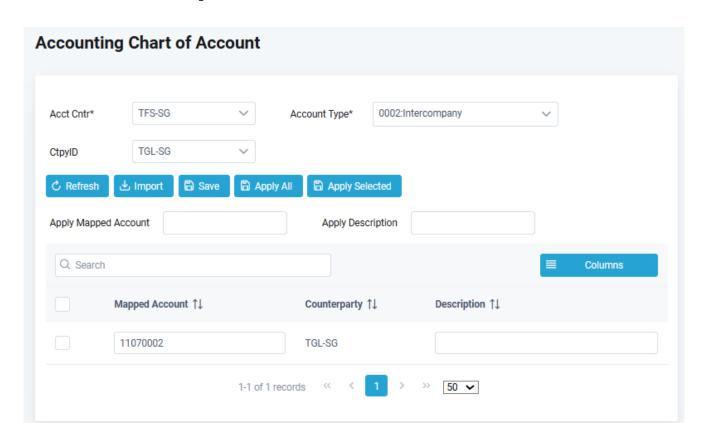[admin@devent1.com]

Trade ID	FRX100043.00		⊕
Vdate	14 Jun 2017		⊖
Acct Cntr	TFS-SG		
Ccy	SGD		
Amount	-1,200,000.00		
Acct Cntr	TFS-SG ⌄		
Bank Account	TF-DB-SGD ⌄		
Amount	0.00		
Description			

Our SSI	Their SSI	Amount	Description
☐ TFS-SG-CITI-SG-S428	DBS-SG-SGD	-1,200,000.00	
	Total	-1,200,000.00	

Counterparty	DBS-SG ⌄
Bank Account	(Temporary SGD) ⌄

Settlement Charges

Payment Amt*	
Our SSI*	⌄
Description	

10. The accounting journals for the Foreign Exchange trade when there's settlement to intercompany are as follows. Note that system booked to the intercompany account.

Journals Details

[Cancel] [Save] [Recreate] [File/Note]

FRX100043.00

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 14 Jun 2017 with DBS-SG. Portfolio:-
[admin@devent1.com]

Status Ready

PDate* 14/06/2017

Eff Date* 14/06/2017

Show Parameter ☐

Journal Description

B USD1,000,000.00 S SGD1,200,000.00 @1.200000

	System A/C	Mapped A/C	Ccy	Dc/(Cr)	Base Ccy	Dc/(Cr)	Rate	Counterparty	Portfolio	SSI	Acct Type
☐	FX Cash Clearing Account	103-123-SGD	SGD	1,200,000.00	SGD	1,200,000.00	1.000000	DBS-SG		FX Clearing SGD	0003
☐	Cash at Bank	100-123-428	SGD	-1,200,000.00	SGD	-1,200,000.00	1.000000	DBS-SG		TFS-SG-CITI-SG-S428	0001
☐	Intercompany	11070002	USD	1,000,000.00	SGD	1,381,800.00	1.381800	TGL-SG		TGL-USD-ANZ-389	0002
☐	FX Cash Clearing Account	103-123-USD	USD	-1,000,000.00	SGD	-1,381,800.00	1.381800	DBS-SG		FX Clearing USD	0003

1-4 of 4 records « ‹ 1 › » 50 ⌄

Snap shot ☐

11. The intercompany mapping is set up as below example. For more details, see Chart of Account set up.

Accounting Chart of Account

Acct Cntr* TFS-SG ⌄   **Account Type*** 0002:Intercompany ⌄

CtpyID TGL-SG ⌄

[Refresh] [Import] [Save] [Apply All] [Apply Selected]

Apply Mapped Account [   ]   **Apply Description** [   ]

🔍 Search   ☰ Columns

	Mapped Account ↑↓	Counterparty ↑↓	Description ↑↓
☐	11070002	TGL-SG	

1-1 of 1 records « ‹ 1 › » 50 ⌄

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Cash Settlement

CHANGE HISTORY

Date	By	Changes
11-Oct-2016	TS	Created.
9-Jan-2020	Lyra	Updated Screenshots.
18-Feb-2025	Lyra	Updated to W6 instructions and screenshots.