

# Settlement to Third Party Bank Account

[See the previous W5 version guide.](#)

## **PURPOSE**

This document explains the procedure to instruct the bank counterparty to make payment on a trade directly to third party bank account and how the system handle the accounting journals.

## **WHY IS THIS IMPORTANT?**



This is important when an entity wishes the bank counterparty to make payment directly to third party, for example their supplier on the trade done.

## **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*	05/01/2011
VDate*	20/01/2011
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 78.74m ( 100.0%)
Counterparty ID	DBS-SG
Portfolio	
Show Advance	<input type="checkbox"/>

### Comparative Quotes

Counterparty			Counterparty	Rate	Remarks
Rate			No records found.		
Remarks					

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

**Cash Settlement**

Acct Cntr\* TFS-SG Ccy Ctpy ID Our SSI From\* 20/01/2011 To\* 20/01/2011 Apply New

Refresh Action Net Trade Group Cash Transfer Confirm Settle/Unsettle EBanking

Q Search

	Vdate T1	TradeID T1	Acct Cntr T1	Ctpy T1	Ccy T1	Amount T1	Strd T1	Assigned SSI T1	Net ID T1	Gp ID T1	Trade Details T1
<input type="checkbox"/>	20 Jan 2011	FRX100041.00	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 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com] Narrative:-
<input type="checkbox"/>	20 Jan 2011	FRX100041.00	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 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com] Narrative:-

1-2 of 2 records << 1 >> 50

3. To instruct DBS bank to credit USD to a third party's bank account, click on the USD cash flow of this Foreign Exchange trade.

4. Select the third party's bank account from the bank account drop down field on the left menu. In this example, S-A-CITI-SG-USD-239 is selected, which is Supplier A's bank account.

**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 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com]

Trade ID	FRX100041.00	+	Our SSI	Their SSI	Amount	Description
Vdate	20 Jan 2011	-	No records found.			
Acct Cntr	TFS-SG				Total	0.00
Ccy	USD					
Amount	1,000,000.00					
Acct Cntr	TFS-SG					
Bank Account	TF-CI-USD					
Amount						
Description						

(Temporary USD)

**Counterparty Account**

DBS-SG-USD

FD-Maybank-HK-USD-05

S-A-CITI-SG-USD-239

SCB-USD-289

Note that third party is set up as a counterparty in the system. The bank account of the third party has to be set up in the Counterparty SSI beforehand. See [counterparty SSI](#) set up for more details.

5. Next, select the counterparty's bank account from which the

USD 1,000,000.00 will be debited from.

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 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com]

Trade ID

FRX100041.00

+

Vdate

20 Jan 2011

-

Acct Cntr

TFS-SG

Ccy

USD

Amount

1,000,000.00

Acct Cntr

TFS-SG

Bank Account

S-A-CITI-SG-USD-239

Amount

1,000,000.00

Description

Our SSI

Their SSI

Amount

Description

No records found.

Total

0.00

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

Description

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com]

Trade ID FRX100041.00



Vdate 20 Jan 2011



Acct Cntr TFS-SG

Ccy USD

Amount 1,000,000.00

Acct Cntr TFS-SG

Bank Account TF-CI-USD

Amount 0.00

Description

Counterparty DBS-SG

Bank Account (Temporary USD)

Settlement Charges

Payment Amt\*

Our SSI\*

Description

Our SSI	Their SSI	Amount	Description
S-A-CITI-SG-USD-239	DBS-SG-USD	1,000,000.00	
Total		1,000,000.00	

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 CITI-SG-428 account to DBS bank account DBS-SG-SGD.

## Amend Cash Settlement

Description

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devent1.com]

Trade ID FRX100041.00



Vdate 20 Jan 2011



Acct Cntr TFS-SG

Ccy SGD

Amount -1,200,000.00

Acct Cntr TFS-SG

Bank Account TF-DB-SGD

Amount 0.00

Description

Counterparty DBS-SG

Bank Account (Temporary SGD)

Settlement Charges

Payment Amt\*

Our SSI\*

Description

Our SSI	Their SSI	Amount	Description
<input type="checkbox"/> TFS-SG-CITI-SG-S428	DBS-SG-SGD	-1,200,000.00	
Total		-1,200,000.00	

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

## Journals Details

FRX100041.00

FX Outright: Bought USD 1,000,000.00 and Sold SGD 1,200,000.00 at 1.200000 value 20 Jan 2011 with DBS-SG. Portfolio:- [admin@devnet1.com]

Status

PDate\*

Eff Date\*

Show Parameter ☐

Journal Description

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

System A/C	Mapped A/C	Ccy	De/(Cr)	Base Ccy	De/(Cr)	Rate	Counterparty	Portfolio	SSI	Acct Type	Category
<input type="checkbox"/> FX Cash Clearing Account	<input type="text"/>	SGD	1,200,000.00	SGD	1,200,000.00	1.000000	DBS-SG		FX Clearing SGD	0003	
<input type="checkbox"/> Cash at Bank	<input type="text"/>	SGD	-1,200,000.00	SGD	-1,200,000.00	1.000000	DBS-SG		TFS-SG-CITI-SG-S428	0001	
<input type="checkbox"/> Interbank Settlement Clearing	<input type="text"/>	USD	1,000,000.00	SGD	1,270,000.00	1.270000	DBS-SG		S-A-CITI-SG-USD-239	0004	
<input type="checkbox"/> FX Cash Clearing Account	<input type="text"/>	USD	-1,000,000.00	SGD	-1,270,000.00	1.270000	DBS-SG		FX Clearing USD	0003	

1-4 of 4 records << < 1 > >> 50 ▾

Snap shot ☐

11. The interbank settlement clearing mapping is set up as below example. For more details, see [Chart of Account set up](#).

## Accounting Chart of Account

Acct Cntr\*

Account Type\*

Ccy

Apply Mapped Account  Apply Description

Q Search

Columns

<input type="checkbox"/>	Mapped Account ↑↓	Ccy ↑↓	Description ↑↓
<input type="checkbox"/>	111666	USD	

1-1 of 1 records << < 1 > >> 50 ▾

## FREQUENTLY ASKED QUESTIONS

## **RELATED INFORMATION**

[Cash Settlement](#)

## **CHANGE HISTORY**

Date	By	Changes
11-Oct-2016	TS	Created.
26-Nov-2019	Lyra	Updated Screenshots.
18-Feb-2025	Lyra	Updated to W6 instructions and screenshots.