

# 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

### Comparative Quotes

Counterparty



Rate



Remarks

Counterparty	Rate	Remarks
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No records found.

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		Cpy ID		Our SSI		From*	20/01/2011	To*	20/01/2011																																	
<input type="button" value="Refresh"/> <input type="button" value="Action"/> <input type="button" value="Net Trade"/> <input type="button" value="Group"/> <input type="button" value="Cash Transfer"/> <input type="button" value="Confirm"/> <input type="button" value="Settle/Unsettle"/> <input type="button" value="EBanking"/> <input type="button" value=""/> <input type="button" value=""/> <input type="button" value="Apply New"/> <input type="button" value="Settings"/>																																												
<input type="text" value="Search"/>																																												
<table border="1"> <thead> <tr> <th>Vdate</th> <th>TradeID</th> <th>Acct Cntr</th> <th>Cpy</th> <th>Ccy</th> <th>Amount</th> <th>Std</th> <th>Assigned SSI</th> <th>Net ID</th> <th>Op ID</th> <th>Trade Details</th> </tr> </thead> <tbody> <tr> <td>20 Jan 2011</td> <td>FRX100041.00</td> <td>TFS-SG</td> <td>DBS-SG</td> <td>SGD</td> <td>-1,200,000.00</td> <td></td> <td>TF-DB-SGD</td> <td>-</td> <td></td> <td>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.</td> </tr> <tr> <td>20 Jan 2011</td> <td>FRX100041.00</td> <td>TFS-SG</td> <td>DBS-SG</td> <td>USD</td> <td>1,000,000.00</td> <td></td> <td>TF-CI-USD</td> <td>-</td> <td></td> <td>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.</td> </tr> </tbody> </table>												Vdate	TradeID	Acct Cntr	Cpy	Ccy	Amount	Std	Assigned SSI	Net ID	Op ID	Trade Details	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.	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.
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- 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.
- 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

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	(Temporary USD)					
Description	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.

- 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	<a href="#">+</a>	Our SSI	Their SSI	Amount	Description	
Vdate	20 Jan 2011	<a href="#">-</a>	No records found.				
Acct Cntr	TFS-SG		Total		0.00		
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							
Counterparty	DBS-SG						
Bank Account	DBS-SG-USD						

Settlement Charges

Payment Amt*	<input type="text"/>
Our SSI*	<input type="text"/>
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 20 Jan 2011 with DBS-SG. Portfolio: [admin@devent1.com]

Trade ID	FRX100041.00	<a href="#">+</a>	Our SSI	Their SSI	Amount	Description
Vdate	20 Jan 2011	<a href="#">-</a>	<input type="checkbox"/>	S-A-CITI-SG-USD-239	DBS-SG-USD	1,000,000.00
Acct Cntr	TFS-SG				Total	1,000,000.00
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						

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

[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	<a href="#">(+)</a>	Our SSI	Their SSI	Amount	Description
Vdate	20 Jan 2011	<a href="#">(-)</a>	<input type="checkbox"/> TFS-SG-CITI-SG-5428	DBS-SG-SGD	-1,200,000.00	
Acct Cntr	TFS-SG				Total	-1,200,000.00
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						

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@devent1.com]

Status	Exception
PDate*	01/06/2017
Eff Date*	20/01/2011
Show Parameter	<input type="checkbox"/>
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	Category
<input type="checkbox"/> FX Cash Clearing Account		SGD	1,200,000.00	SGD	1,200,000.00	1.000000	DBS-SG		FX Clearing SGD	0003	
<input type="checkbox"/> Cash at Bank		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		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		USD	-1,000,000.00	SGD	-1,270,000.00	1.270000	DBS-SG		FX Clearing USD	0003	

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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

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

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## 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.