



# ACCOUNTING TREATMENT

FX Outright - Base - With TDate

- Overview
- i. Foreign Exchange outright transaction revalued at period and using market spot rates.
  - ii. Settlement amounts are journalled to FRX: Deals Payables or Receivables accounts in the general ledger.

## TRANSACTION DETAILS

Accounting Base Ccy	SGD
Trade ID	FRX1001
Trade Date	25-Mar-03
Value Date	3-Apr-03
Transaction	Sell GBP
Against Currency Settlement	SGD
Buy Amount	SGD 2,550,000.00
Sell Amount	GBP 1,000,000.00

## SUMMARY OF JOURNALS

ID	Date	Description
J1	25-Mar-03	Trade Date
J2	25-Mar-03	Trade Date
J3	31-Mar-03	Month end revaluation
J4	1-Apr-03	Reversal of Month end revaluation
J5	3-Apr-03	Settlement of Trade
J6	3-Apr-03	Settlement of Trade
J7	31-Mar-03	Month End Revaluation (Manual Update of MTM)

## J1 Trade Date

TradeID	Post Date	B/P Account	Ccy	Ccy Amt D/(CR)	Rate	Base	Base Amt D/(CR)	Line
FRX1001	25-Mar-03	BS FRX : Deals Receivables	SGD	2,550,000.00	1.000000	SGD	2,550,000.00	J1a
FRX1001	25-Mar-03	BS FX Cash Clearing Account	SGD	-2,550,000.00	1.000000	SGD	-2,550,000.00	J1b
			SGD	0.00		SGD	0.00	

## J2 Trade Date

TradeID	Post Date	B/P Account	Ccy	Ccy Amt D/(CR)	Rate	Base	Base Amt D/(CR)	Line
FRX1001	25-Mar-03	BS FRX : Deals Payables	GBP	-1,000,000.00	2.550000	SGD	-2,550,000.00	J2a
FRX1001	25-Mar-03	BS FX Cash Clearing Account	GBP	1,000,000.00	2.550000	SGD	2,550,000.00	J2b
			GBP	0.00		SGD	0.00	

Note J2a: The exchange rate on trade date is 2.550000 (Contract rate).

## J3 Month end revaluation

TradeID	Post Date	B/P Account	Ccy	Ccy Amt D/(CR)	Rate	Base	Base Amt D/(CR)	Line
FRX1001	31-Mar-03	BS FRX : Deal Payables	GBP	0.00	0.000000	SGD	42,250.00	J3a
FRX1001	31-Mar-03	PL FX - Unrealised Gains - FX Trade	GBP	0.00	0.000000	SGD	-42,250.00	J3b
			GBP	0.00		SGD	0.00	

Note J3b: The FX revaluation Profit/Loss is analysed as follows:

<u>Trade ID</u>	<u>Market Rate</u>	<u>Contract Rate</u>	<u>Non Base Amt</u>	<u>Profit/(Losses)</u>
FRX1001	2.507750	2.550000	-1,000,000.00	42,250.00
			Net P/L	<u>42,250.00</u>

Market Rate is exchange rate on 31-Mar-03. See Exchange Rates below.

MTM can also be updated manually in the system for a FX trade. If the MTM is manually updated, please see J7 for the journals generated.