

FINAIRO

EXPORT UNDERTAKING

For TRADE FINANCE

Document Information

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Document Identification:	EXPORT UNDERTAKING

Document Revision History

#	Ver	Rel. Date	Author	Reviewer	Reason for change
1	1.0	03-07-2022	Arkadeep Bhattacharjee	Rajesh Yadav	Initial Release
2	2.0	05-07-2022	Arkadeep Bhattacharjee	Rajesh Yadav	-Activity description details added. -Details added in Gap.
3	3.0	19-07-2022	Arkadeep Bhattacharjee	Bank Personals	Changes in Current practice, General Notes, Payment, Notice to Central Bank.

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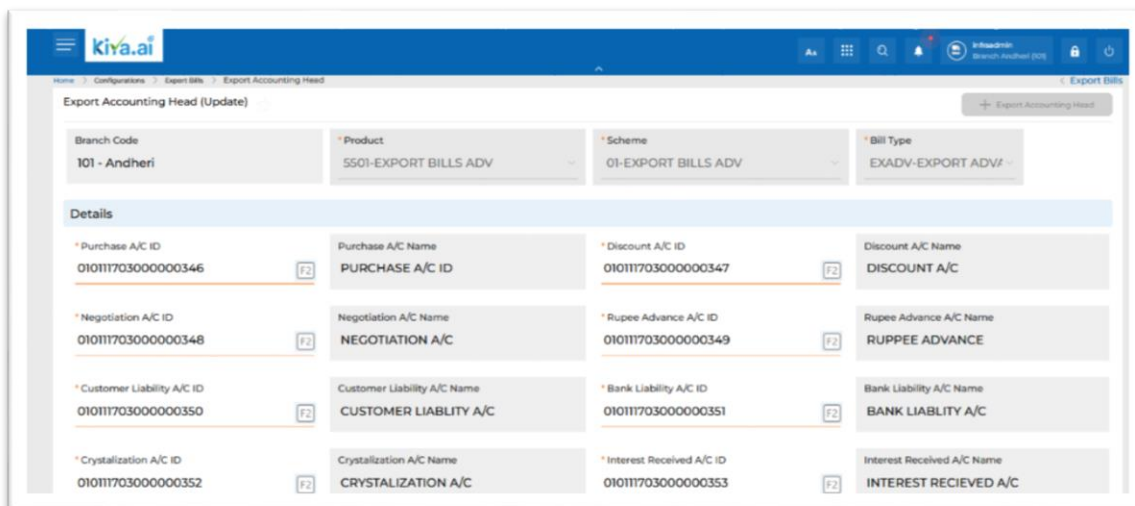
1. A Export Undertaking Module

1. A1.Current Practice:

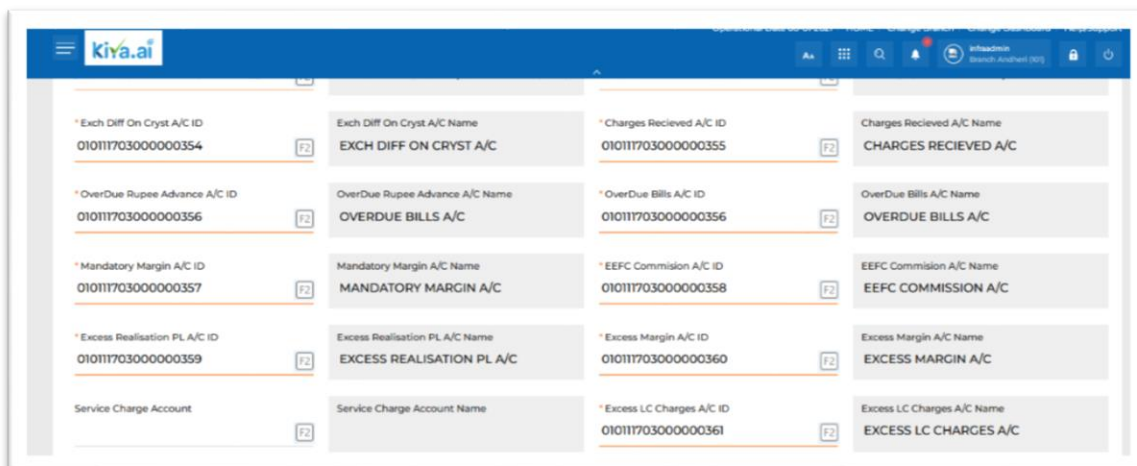
1. Both the exporter and importer agree to a documentary collection for payment in the sales agreement.
2. The information of the clean payment is received (in foreign currency) from the exchange company and the bank will send an informative letter to central bank the amount in foreign currency and exchange rate.
3. Central Bank will provide the Percentage rate.
4. Central Bank will sent the amount in Local Currency to Commercial Bank.

1. A2. Finairo Working & Validations

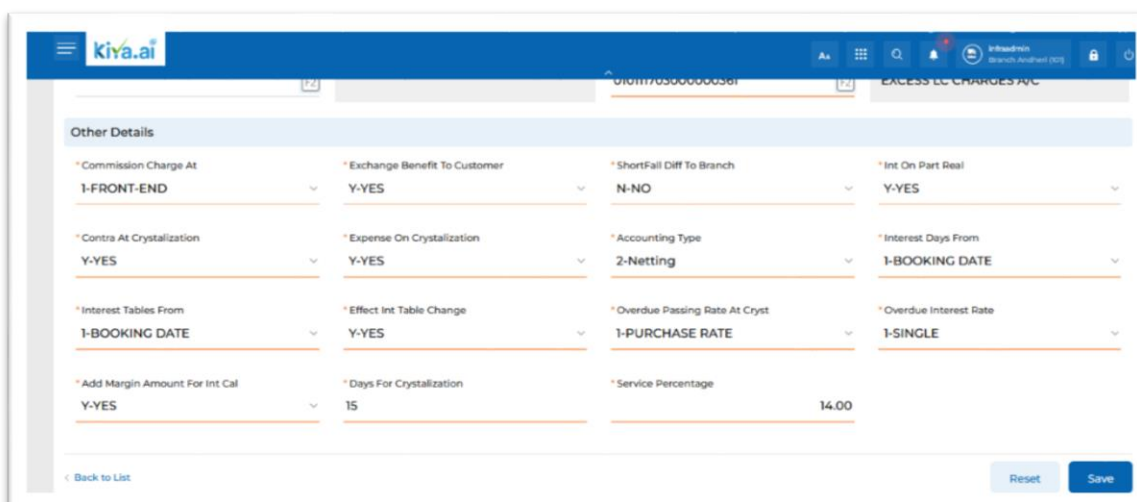
- a) **Export Undertaking Accounting Parameter** to be defined by admin. Here all the detailed accounts to be provided, as per defined account the accounting process will happen.



Export Accounting Head (Update)			
Branch Code	Product	Scheme	Bill Type
101 - Andheri	5501-EXPORT BILLS ADV	01-EXPORT BILLS ADV	EXADV-EXPORT ADV
Details			
* Purchase A/C ID	Purchase A/C Name	* Discount A/C ID	Discount A/C Name
010111703000000346	PURCHASE A/C ID	010111703000000347	DISCOUNT A/C
* Negotiation A/C ID	Negotiation A/C Name	* Rupee Advance A/C ID	Rupee Advance A/C Name
010111703000000348	NEGOTIATION A/C	010111703000000349	RUPPEE ADVANCE
* Customer Liability A/C ID	Customer Liability A/C Name	* Bank Liability A/C ID	Bank Liability A/C Name
010111703000000350	CUSTOMER LIABILITY A/C	010111703000000351	BANK LIABILITY A/C
* Crystallization A/C ID	Crystallization A/C Name	* Interest Received A/C ID	Interest Received A/C Name
010111703000000352	CRYSTALLIZATION A/C	010111703000000353	INTEREST RECIEVED A/C



* Exch Diff On Cryst A/C ID 01011703000000354	Exch Diff On Cryst A/C Name EXCH DIFF ON CRYST A/C	* Charges Recieved A/C ID 01011703000000355	Charges Recieved A/C Name CHARGES RECIEVED A/C
* OverDue Rupee Advance A/C ID 01011703000000356	OverDue Rupee Advance A/C Name OVERDUE BILLS A/C	* OverDue Bills A/C ID 01011703000000356	OverDue Bills A/C Name OVERDUE BILLS A/C
* Mandatory Margin A/C ID 01011703000000357	Mandatory Margin A/C Name MANDATORY MARGIN A/C	* EEFC Commision A/C ID 01011703000000358	EEFC Commision A/C Name EEFC COMMISSION A/C
* Excess Realisation PL A/C ID 01011703000000359	Excess Realisation PL A/C Name EXCESS REALISATION PL A/C	* Excess Margin A/C ID 01011703000000360	Excess Margin A/C Name EXCESS MARGIN A/C
Service Charge Account	Service Charge Account Name	* Excess LC Charges A/C ID 01011703000000361	Excess LC Charges A/C Name EXCESS LC CHARGES A/C



* Commission Charge At 1-FRONT-END	* Exchange Benefit To Customer Y-YES	* ShortFall Diff To Branch N-NO	* Int On Part Real Y-YES
* Contra At Crystallization Y-YES	* Expense On Crystallization Y-YES	* Accounting Type 2-Netting	* Interest Days From 1-BOOKING DATE
* Interest Tables From 1-BOOKING DATE	* Effect Int Table Change Y-YES	* Overdue Passing Rate At Cryst 1-PURCHASE RATE	* Overdue Interest Rate 1-SINGLE
* Add Margin Amount For Int Cal Y-YES	* Days For Crystallization 15	* Service Percentage 14.00	

< Back to List

Reset Save

- b) After this screen **Export Undertaking Primary** Details to be added where details of Export Undertaking to be provided: importer name, exporter name, amount etc.

Export Bill Primary Details (View)

+ Add EDIT Browse Authorize Delete

Branch: 1 - Andheri Account ID: 000015500100001 Account Name: MR. Newton K Kondaveti View

Details

*Template: N-NO	Template Account ID:	*Auxiliary: N-NO	Linkage: N-NO
CollToEBD: N-NO	Link To Account ID:	Link To Account ID Name:	*Bill Type: EXPORT BILL PURCHASE -SIGHT
*Main Action: C	*LC Backed: N-NO	LC/Order Number: enter lc/order number	Issue Date: 01-01-1900
Expiry Date: 01-01-1900	Balance Amount: Select 0.00	*Booking Date: 30-03-2021	Reimbursement Bank: ICICI Bank Limited

Amount Details

*Invoice Amount: USD 100,000.00	Advance Amount: USD 0.00	Discount: Select 0.00	*Bill Amount: USD 100,000.00
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Libor Rate: 0.00

*Goods Desc: enter goods desc

*Collect Bank: State Bank Of India

*Collect Branch: CHEMBUR	*Limit Type: N-NORMAL	*Drawee: Select	*Commodity: Select
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Nostro: Select

*Number:

*Country: Select

Permit Number: 2991

Permit Issue Date: 10-03-2001

Remarks: enter remarks

1. A3. Accounting Entries (If any)

Issuing Posting:

1. Customer Liability A/C DR

2. Total Liability A/C CR
1. Customer A/C DR
2. Customer Margin A/C CR
1. Customer A/C DR
2. Commission & Charges A/C... CR

Cancel Posting:

1. Reverses Liability A/C
2. Reverses Margin A/C
3. Collecting Commission & Charges

Payment Posting:

Liability account close.

Margin account close.

In case of delay penalty

Margin account----- Debit

Central account----- Credit

Remaining Margin ----- Debit

Customer a/c----- Credit

Collect commission and charges.

Delay of Repayment posting

When 3 months

Customer margin a/c –Dr

Delay account-----Cr

After 8 months (3+5)

Delay account-----Dr

Central bank account--Cr

1. A4. Validations

Existing validations in the system.

In all stages charges/commission to be collected as per defined in the charges master for export undertaking.

1. A5. Gap:

Following are the stages which to be followed in Export Undertaking

- B1) Create
- B2) Cancel
- B3) Amend
- B4) Amend Response
- B5) Adjust
- B6) Notice the Central Bank
- B7) Payment (When Bank Payment Received)
- B8) Delay of repayment
- B9) Tracer
- B10) Free Correspondent
- B11) Manual Book-keeping
- B12) Book off/Close

B1) Create:

This is the initial stage when bank receive the export undertaking from the applicant. Following are the fields which needed to be added in the screen.

Fields to add:

1. Auto Reference ----- Unique number of Export Undertaking
2. Mail No & Date-----Text Field
3. Type (Temporary/Final)-----Lookup
4. Amount & Currency ----Amount Number and Currency fetched from the Export Undertaking product.
5. Exporter Name----- Text Field
6. Importer Name----- Text Field
7. Country----- Country Code MIS lookup
8. Invoice No & Date -----Invoice number and Date Datatype will be Date

- 9. Description of Goods----- Currently Commodity Details
- 10. Goods Type -----Currently Commodity Type
- 11. Tax Number-----Text Field (to be fetched from Customer details)
- 12. Margin Percent & Amount & Currency ----- Percentage, Amount, and Currency to be added.
- 13. Exchange Rate----- Number (Fetched from the rate master as per effective date)
- 14. Commercial Register No & Date-----Text and Date
- 15. Expiry Date----- Date
- 16. Repayment Percentage Rate----- (Percentage Rate for central bank.) foreign Currency.

Output Documents:

Multiple documents can be provided to the applicant and beneficiary. According to certain formats which will be received from the bank.

B2) Cancel:

On this activity customer can cancel the export undertaking with Bank.

For cancel all create related fields to be fetched from Create screen to provide the Cancel stage.

Additional Fields to add:

Reason for cancellation. (Text Field)

B3) Amend:

On this stage any changes of Amount and expiry can be amended and reflected to the correspondent.

All the fields of issue to be fetched only Amount and Expiry date fields old and new values.

Output Documents:

Multiple documents can be provided to the applicant and beneficiary. According to certain formats which will be received from the bank.

B4) Amend Response:

This stage is for the Amend Response from the Central Bank is to accept or reject amend.
All the fields including amended field old and new to be fetched from the system.

Additional fields to add:

Response (Accept / Reject)

If accept assure the new value

If reject back to the old Export Undertaking.

B5) Adjust:

This stage is for internal amendment **all** the fields of issue should come in old values and in new value changes fields to keep.

B6) Notice the central bank:

In this stage notice to be sent to central bank for receiver of amount .

1) In case the transfer from the exchange companies:

1- All the fields of issue to be fetched.

2- Field to add:

1- 1-correspondent name and reference Id

2- 2-Partial / Full Payment

3- 3- repayment amount(example 1000\$)

4- 4-repayment percent (example 50%)

5- 5-repayment currency (USD)

6- 6-Equivalent Amount in Local Currency (\$1000*(3000+900))

7- 7-date of deposit

8- 8-amount in Syrian pounds (rate of exchange list: number, date, rate) Example rate:3000

9- 9-export premium rate(rate of exchange list: number, date, rate) Example rate :900

- 2) In case the transfer from a correspondent bank, swift message MT103 must be received. And it must contain Export undertaking number. And all the above mentioned field to be populated or entered.

B7) Payment: (when Bank Receive the local currency amount from the central bank)

On this stage the amount which was deducted to be collected from central bank. Following screen to be added for payment as mentioned

Field to add:

- 1- Number and date of the head office posting.
- 2- Amount in Local currency.
- 3- Amount in foreign currency.
- 4- Delay Y/N. (It is calculated with expiry date.)
- 5- Number of delay days. (Calculated from expiry date)

B8) Delay of repayment:

When the customer delay period (to be parameterized determine by the bank's administrator) exceeds 5 months following fields needed to be taken and changes in posting also.

- 1- All the fields of issue to be fetched.
- 2- Transfer the margin to the delay account, or to central bank account if the customer exceeded (3+5) months of delay.

B9) General notes:

- 1- Tracer before 10 days of expiry date. (it is configurable)
- 2- There must be a list for violators of foreign currency regulations (not allowed to create a new export undertaken). (Delay customer list to be provided by the Central Bank to restrict the export undertaken. Bank to provide Name and Identity ID.)
- 3- Several reports for central bank. (Format to be provided by bank)

- 4- Foreign currency rates are different from the trade finance system rates.
- 5- Document upload system to added as per all the other modules.

B10) Extra Events:

1) Free Correspondent

In this stage free correspondent stage bank can send communication messages to correspondent bank. Any kind of n99 messages can be sent in the screen.

2) Manual Bookkeeping

In manual bookkeeping any kind of wrong posting or funding made in the past can be changed on this stage. Before closure Manual Bookkeeping.

3) Book off/Close

This is closure of Export Undertaking. If there is any o/s balance in undertaking closure cannot be done.

1. A6. Field Changes/Requirements/Additional Fields

C1) Following Fields to be added in Issuance screen.

Fields	Description
1. Auto Reference	Unique number of Export Undertaking
2. Mail No & Date	Text Field
3. Type (Temporary/Final)	Lookup
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.

5. Exporter Name	Text Field
6. Importer Name	Text Field
7. Country	Country Code MIS lookup
8. Invoice No & Date	Invoice number and Date Datatype will be Date
9. Description of Goods	Currently Commodity Details
10. Goods Type	Currently Commodity Type
11. Tax Number	Text Field
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.
13. Commercial Register No & Date	Text and Date
14. Expiry Date	Date
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number

C2) For Cancellation

Fields	Description
1. Auto Reference	Unique number of Export Undertaking
2. Mail No & Date	Text Field
3. Type (Temporary/Final)	Lookup
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.
5. Exporter Name	Text Field
6. Importer Name	Text Field
7. Country	Country Code MIS lookup
8. Invoice No & Date	Invoice number and Date Datatype will be Date
9. Description of Goods	Currently Commodity Details
10. Goods Type	Currently Commodity Type
11. Tax Number	Text Field
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.
13. Commercial Register No & Date	Text and Date
14. Expiry Date	Date
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number
16. Reason for cancellation.	(Text Field)

C3) For Amend Response

Fields	Description
1. Auto Reference	Unique number of Export Undertaking
2. Mail No & Date	Text Field
3. Type (Temporary/Final)	Lookup
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.
5. Exporter Name	Text Field
6. Importer Name	Text Field
7. Country	Country Code MIS lookup
8. Invoice No & Date	Invoice number and Date Datatype will be Date
9. Description of Goods	Currently Commodity Details
10. Goods Type	Currently Commodity Type
11. Tax Number	Text Field
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.
13. Commercial Register No & Date	Text and Date
14. Expiry Date	Date
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number
16. Response (Accept / Reject)	Lookup

C4) Adjust: Same screen for issuance

Fields	Description
1. Auto Reference	Unique number of Export Undertaking
2. Mail No & Date	Text Field
3. Type (Temporary/Final)	Lookup
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.
5. Exporter Name	Text Field
6. Importer Name	Text Field
7. Country	Country Code MIS lookup

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8. Invoice No & Date	Invoice number and Date Datatype will be Date
9. Description of Goods	Currently Commodity Details
10. Goods Type	Currently Commodity Type
11. Tax Number	Text Field
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.
13. Commercial Register No & Date	Text and Date
14. Expiry Date	Date
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number

C5) Notice the central Bank

Fields	Description	Example
1. Auto Reference	Unique number of Export Undertaking	
2. Mail No & Date	Text Field	
3. Type (Temporary/Final)	Lookup	
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.	
5. Exporter Name	Text Field	
6. Importer Name	Text Field	
7. Country	Country Code MIS lookup	
8. Invoice No & Date	Invoice number and Date Datatype will be Date	
9. Description of Goods	Currently Commodity Details	
10. Goods Type	Currently Commodity Type	
11. Tax Number	Text Field	
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.	
13. Commercial Register No & Date	Text and Date	
14. Expiry Date	Date	
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number	
16. correspondent name and reference Id	Text and varchar	
17. Partial / Full Payment	lookup	
18. repayment amount	number	example 1000\$)

19. repayment percent	number	example 50%)
20. repayment currency	currency code master	USD)
21. Equivalent Amount in Local Currency	number	(example \$1000*3000+900))
22. date of deposit	date	
23. amount in Syrian pounds (rate of exchange list: number, date, rate)	number	example rate:3000)
24. export premium rate(rate of exchange list: number, date, rate)		example rate :900)

C6) Payment

Fields	Data type
1- Number and date of the head office posting.	Number and date
2- Amount in Syrian pound.	Number
3- Amount in foreign currency.	number
4- Delay Y/N. (It is calculated with expiry date.)	look up
5- Number of delay days. (Calculated from expiry date)	number

C7) Delay of Repayment

Fields	Description
1. Auto Reference	Unique number of Export Undertaking
2. Mail No & Date	Text Field
3. Type (Temporary/Final)	Lookup
4. Amount & Currency	Amount Number and Currency fetched from the Export Undertaking product.
5. Exporter Name	Text Field
6. Importer Name	Text Field
7. Country	Country Code MIS lookup
8. Invoice No & Date	Invoice number and Date Datatype will be Date
9. Description of Goods	Currently Commodity Details
10. Goods Type	Currently Commodity Type

11. Tax Number	Text Field
12. Margin Percent & Amount & Currency	Percentage, Amount, and Currency to be added.
13. Commercial Register No & Date	Text and Date
14. Expiry Date	Date
15. Repayment Percentage Rate	(Percentage Rate for central bank.) foreign Currency. Number

C8) List of Violators

Fields	Data type
1. Name	Text
2. Identity ID	Text

1. A7. Assumptions:

No Assumptions

1. A8. RFP References

Sr no	RFP Reference	Point number
1	<u>PART III-9 FUNCTIONAL SPECIFICATIONS EXPORT DOCUMENTARY COLLECTION</u>	16
2	<u>BRANCH MODULE(Part III -3) 7-13 Forex Operations</u>	7

Disclosure:

The RFP Part III and the proposal are the master document for the UAT related signoff.

This document can be used as a reference point for closure of UAT related pertaining to overall scope of Export Undertaking.