Operation Manual

Standing Payment Orders

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Contents

Standing payment orders automatically create documents serving as payment orders in the system, or automatically create macrotransactions. They can be used for a variety of operations, such as making automatic merchant payments, crediting a cardholder account, and amount normalisation, including multicurrency normalisation, and redirecting interest accrual or due normalisation.

One of the most important functions of standing payment orders is creating documents in real time, where the client sets the document amount. For example, the client may pay for public utilities online through an ATM.

This document is intended for bank or processing centre employees responsible for configuring Way4 and describes product creation and configuration.

While working with this document, it is recommended that users refer to the following reference material from OpenWay's documentation series:

- Way4 Products. Accounting Schemes
- Daily Procedures
- Events
- Acquiring Module User Manual
- Way4 Global Parameters
- Way4 Client and Contract Classifiers
- Contract Functional Dates

The following notation is used in this document:

- Field labels in screen forms are shown in *italics*.
- Button labels used in screen forms are shown in square brackets, such as [Approve].
- Sequences for selecting user menu items are shown using arrows, such as Configuration Setup →Contract Types.


Warnings about potentially hazardous situations or actions.


Information about important features, additional options or the best use of certain system functions.

1 Configuring Standing Payment Orders

This section describes the setup of categories of standing payment orders and features of their processing.

1.1 Categories of Standing Payment Orders

Standing payment orders can be grouped into the following types:

- General standing payment orders – payment orders of this type are created on the Accounting Scheme level. Documents are generated for all contracts using this Accounting Scheme.

  General orders are used to set up a Product's lifecycle. These payment orders are used, for example, to set up reimbursement of merchants, pay recurring merchant fees, or to calculate a minimum payment.

- Template standing payment orders. Template orders are also configured on the Accounting Scheme level and then used to create inherited orders on the contract level. The code of a template must be unique.
- Inherited payment orders are created on the contract level, based on template orders. General rules for creating inherited orders:
  - By default, inherited orders are created on demand – manually or using the Advanced Applications module. Orders are created in an inactive state (by default, the value of the *Is Active* parameter is "No"). An order is activated on the level of a specific contract.
  - Several inherited orders can be created on the basis of one template.

    If only one inherited order can be created according to a template, specify the UNIQUE_INHERITED tag in the template. The inherited order will be created with a code corresponding to the template code.

  - The codes of orders created according to templates must be unique. If a code is not set manually or using an application, a unique code will be generated automatically.
  - Some fields in an inherited payment order are synchronised with the order template and cannot be edited. Some fields of an inherited order can be edited. I.e., the main properties of an order are common for all contracts and it is convenient to define them in template order settings

in the Accounting Scheme, while recipient requisites, and transfer amounts may differ from those in a template, and therefore it is convenient to define them on the contract level, that is, in inherited orders.

Inherited standing payment orders are used, for example, to make public utilities payments, or for regular transfers to a client.

- Individual standing payment orders are completely configured on the contract's account level. These orders can only be set up for bank contracts.

> Existing (created earlier than version 03.41.30) individual payment orders for issuing and acquiring contracts will work, but it is no longer possible to create new individual payment orders for these contracts. It is recommended to reconfigure existing individual payment orders for issuing and acquiring contracts.

1.2 Processing Standing Payment Orders ("Morning"/"Evening" Mode)

Documents relating to standing payment orders are created and processed according to the payment order configuration, more specifically, according to the value of the *Date Event* field (see "Determining Document Frequency and Amount").

Payment orders are processed through the "Contracts – Daily Update" procedure according to the value of global parameter "ORDER_IN_START_OF_DAY" (see the Way4™ Global Parameters Administrator Manual). If the parameter is set to "Y" (default value), payment orders are processed as part of the "Contracts – Daily Update" procedure executed at the beginning of the next day. If the parameter is set to "N", payment orders are processed as part of the "Contracts – Daily Update" procedure executed at the end of the day, and are ignored when the procedure is executed at the beginning of the next day. This parameter can be redefined using the tag of the same name in an Accounting Scheme or in a separate order (see the description of the ORDER_IN_START_OF_DAY field in the section "Tags used when configuring Accouting Schemes and accounting templates" of the document "Way4™ Accounting Schemes").

When processing standing payment orders, a calendar type that differs from the financial institution's calendar type can be used. To do so, set the corresponding calendar type in the payment order's *Posting Details* field (see the section "Defining Corresponding Accounts") using the CALENDAR_TYPE=<calendar name>

tag (see the section "Tags used when processing standing payment orders" of the document "Setup Tags").

1.3 Parameters of General/Template Standing Payment Orders

The "Definition for ‹name of Accounting Scheme›" form can be used to configure parameters of a new general or template standing payment order (see the "Full Information about Accounting Scheme Templates" section in the Way4™ Products. Accounting Schemes Administrator Manual). Select the account template and click on the [SO Full] button. Buttons [SO Due], [SO Evnt Base], [SO Interest], and [SO Norm] are used to configure certain types of standing payment orders (see "Special Grids for Entering General/Template Standing Payment Orders").

Clicking on the [SO Full] button will invoke the "SO Full for ‹name of account template›". It contains the full set of fields for configuring standing payment orders.

To enter a new standing payment order into the "SO Full for ‹name of account›" form, click on the [Ins] button and fill in the fields as needed (see Fig. 1).

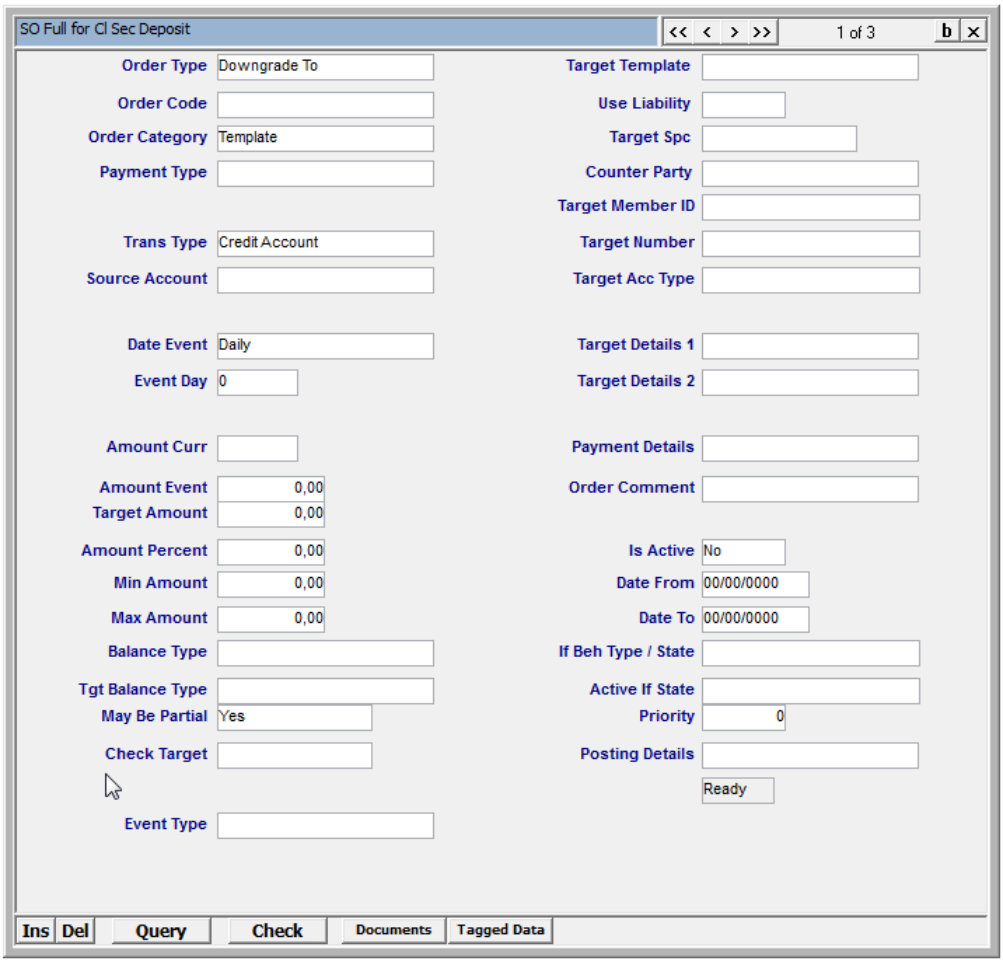

Fig. 1. Form for defining and configuring a standing payment order

The fields in the "SO Full for ‹name of account›" form can be grouped into the following categories:

- Fields for describing transactions (see "Transaction Description")
- Fields for configuring the frequency and amount of the payment order (see "Determining Document Frequency and Amount")
- Fields defining the corresponding account (see "Defining Corresponding Accounts")
- Fields defining the state of the payment order (see "Activating/Deactivating Standing Payment Orders")

The [Check] button in the system checks that the payment order's fields have been filled in correctly and gives check results. At this step, the system creates a document for the standing payment order with a zero amount. If the check is successful, the document has the "Waiting" status; otherwise, it has the "Closed" status.

A standing payment order is automatically checked when a contract is approved. To skip this stage (standing payment order parameters will not be checked during contract approval), specify the tag IGNORE_DOC_VALIDATION in the *Posting Details* field of the standing payment order form (see Fig. 1). See the section "Tags used when processing standing payment orders" of the document "Setup Tags".

The [Document] button enables users to view the documents created for that payment order during its lifetime through the [Check] button.

The [Tagged Data] button is used to optimise work with the *Posting Details* field. Clicking this button opens a grid form for entering and editing tags specified in the *Posting Details* field. For a detailed description of entering and editing tags, see the "Entering and Editing Tags" section in the Way4™ Accounting Schemes Administrator Manual.

The parameters of General standing payment orders for a contract and template standing payment orders can be viewed in the form "Gen. Orders for <account name>", opened by clicking the [Gen. Orders] button in the "Accounts for <contract name>" form.

1.3.1 Transaction Description

The fields that define transactions are described below:

- *Order Type* – determines the standing payment order type and the amount algorithm for this payment order. The field can take on the following values:
  - "Debit Amount" – debiting this account (or the account indicated in the *Source Account* field) and crediting the corresponding account with the amount defined in the *Target Amount* field. The amount is only transferred if the amount remaining in the account is higher than the amount specified in the *Amount Event* field. It is recommended that this standing payment order type be used when the transfer amount is known in advance.

    When this type of order is used for Supplementary orders, note that the *Amount Event* field for these orders is not checked.
  - "Credit Amount" – crediting this account (or the account indicated in the *Source Account* field) and debiting the corresponding account for the amount defined in the *Target Amount* field. The amount is only transferred if the amount remaining in the account is lower than the amount specified in the *Amount Event* field. It is recommended that this standing payment order type be used when the transfer amount is known in advance.

When this type of order is used for Supplementary orders, note that the *Amount Event* field for these orders is not checked.

- "Downgrade To" – debiting this account (or the account indicated in the *Source Account* field) and crediting the corresponding account. If the *Amount Percent* field is filled in, the document amount is calculated in different ways depending on the "ORDER_PCNT_RULE" global parameter value (see the Way4™ Global Parameters Administrator Manual):
  - If the parameter value is empty (NULL), the amount of funds on the account should be reduced to the value (100 - <contents of the Amount Percent field>)%. The document amount will be <contents of the Amount Percent field>% of the amount of funds on the account.
  - If the parameter value is "I", the amount of funds on the account should be reduced to the value (<contents of the Amount Percent field>)%. The document amount will be (100 - <contents of the Amount Percent field>)% of the amount of funds on the account.

  If the *Amount Percent* field is not filled in, the document amount is calculated as the difference between the account balance and the value indicated in the *Target Amount* field. The amount is only transferred if the amount remaining in the account is higher than the amount specified in the *Amount Event* field and the value of the *Target Amount* field is equal to or lower than the value of the *Amount Event* field. It is recommended that this standing payment order type be used when it is necessary to debit an account to an amount known in advance (e.g. to clean out an account).
- "Upgrade To" – crediting this account (or the account indicated in the *Source Account* field) and debiting the corresponding account. If the *Amount Percent* field is filled in, the document amount is calculated depending on the value of the global parameter "ORDER_PCNT_RULE" (the parameter influences calculation of the document amount for an "Upgrade To" type payment order in the same way as for a "Downgrade To" type, see the description of a "Downgrade To" type payment order). If the *Amount Percent* field is not filled in, the document amount is calculated as the difference between the account balance and the value indicated in the *Target Amount* field. The amount is only transferred if the amount remaining in the account is lower than the amount specified in the *Amount Event* field and the value of the *Target Amount* field is higher than or equal to the value of the *Amount Event* field. If both accounts belong to the same contract and the balance of the corresponding account is lower than the calculated document amount, the amount will be adjusted to be equal to the balance of the

corresponding account. It is recommended that this standing payment order type be used when it is necessary to credit an account to an amount known in advance (e.g. to fully pay off an account debt).

- "Downgrade To (Single)" – the same as "Downgrade To", but can be only be used in an account from an active-passive pair. That is, if this account is one of an active-passive pair, the document amount will not depend on the balance of the pair account.
- "Upgrade To (Single)" – the same as "Upgrade To", but can be only be used in an account from an active-passive pair. That is, if this account is one of an active-passive pair, the document amount will not depend on the balance of the pair account.
- "Upgrade Advice" – the same as "Upgrade To", but if both accounts belong to the same contract, the balance of the corresponding account is not considered when calculating the document amount (general acceptance payment). It is recommended that this standing payment order type be used when it is necessary to fully pay off a certain account debt even if it makes the resulting balance of the corresponding account negative.
- "Normalisation" – the same as "Upgrade To", but the document amount is calculated considering the amount remaining in all accounts with this account as an upper-/lower-limit normalisation account (see an example in the "Multicurrency Normalisation" section). It is impossible to create an individual payment order of this type.
- "Norm Advice" – the same as "Upgrade Advice", but the document amount is calculated considering the amount remaining in all accounts with this account as an upper-/lower-limit normalisation account. It is impossible to create an individual payment order of this type.

- *Trans Type* – determines the transaction type for the document created by the payment order. It is a drop-down list of transaction types registered in the system dictionary ("Full →Configuration Setup →Transaction Types → Transactions - All") with the following field values: *Source* = "Account", *Chain Type* = "Original", *Category* = "Individual".

  If the *Trans Type* field is filled in, its value is related to the value of the *Order Type* field in the following way:

  - If "Debit Amount", "Downgrade To" or "Downgrade To (Single)" is specified in the *Order Type* field, the "Credit Account" value should be selected in the *Trans Type* field.

- If "Credit Amount", "Upgrade To", "Upgrade To (Single)", "Upgrade Advice", "Normalisation", or "Norm Advice" is specified in the *Order Type* field, the "Debit Account" value should be selected in the *Trans Type* field.
- When generating a document according to a standing payment order for a contract, the corresponding macrotransaction is generated according to the contract Service configured for the transaction type specified in the *Trans Type* field. For instance, a fee may be changed for this transaction.

If the *Trans Type* field is not filled in, no transaction type is specified in a document generated for the standing payment order.

- *Payment Type* – specifies the type of the public utility payment. The types of utility payments can be accessed through the "Payment on Account Types" form (Full →Configuration Setup →Transaction Types →Payment on Account Types).

  Tags (and their values) set in the *Add Info* field of the "Payment on Account Types" form can be inherited to a document created by a payment order with this payment type. To do so, the corresponding tags must be specified as the value of the global parameter PAYMENT_TYPE_TAGS_TO_SO (see the section "PAYMENT_TYPE_TAGS_TO_SO" of the document "Way4™ Global Parameters").
- *Order Code* – order code:
  - This field is mandatory for template orders. The code of a template order must be unique in the Accounting Scheme. The code's uniqueness is checked when the template is checked and when approving the corresponding Accounting Scheme.
  - This field is optional for general orders. It is not necessary for the code of a general order to be unique. For example, orders of this category are used to set up a Supplementary order whose code must match the code of another order (see the section "Supplementary Standing Payment Orders").
- *Order IDT (ORDER_IDT)* – an order's unique identifier. The field is filled in when approving an Accounting Scheme or a contract (for individual orders). After it has been filled in, the field's value does not change. The identifier is used, for example when copying (importing) a configuration with the "Configuration Inspector" module for mapping data. By default, this field is not shown in the form.
- *Priority* – determines the order in which standing payment orders configured for the contract's accounts are processed.

- Standing payment orders that redefine normalisation (with the "Normalization" value in the *DateEvent* field) are processed in the following order:
  - First, the system processes standing payment orders with non-negative field values in ascending order (e.g. 0, 10, 20, 30).
  - Then, amount normalisation is performed.
  - Last, the system processes standing payment orders with negative field values in ascending order (e.g. –30, –20, –10).
- Other standing payment orders (for "Daily", "Monthly", etc. recurrent standing payment orders) are processed in the following order: -30, -20, -10, 0, 10, 20, 30. I.e. standing payment orders with negative values in the *Priority* field are processed first in descending order of this field's values (-30, -20, -10), and then standing payment orders with non-negative values in the *Priority* field in ascending order of this field's values (0, 10, 20, 30).

Note that orders related to a contract (inherited and individual orders are processed on a first-come, first served basis, as defined by priorities) are processed first, and then "General" orders (according to their priorities).

- *Source Account* – this field is used to redefine the source account from which the payment order draws its funds. Thus, the order amount can be calculated for one account, but posting can take place from another account of the contract.

  When interest accrual is redefined, this field is used to redefine the account to which interest is accrued.
- *Order Category* – payment order category (see "Categories of Standing Payment Orders"). The field can take on one of the following values:
  - "General" – a general standing payment order.
  - "Template" – a template standing payment order.

1.3.2 Determining Document Frequency and Amount

Fields for configuring creation frequency and amount of documents generated for standing payment orders are described below.

- *Date Event* – used in conjunction with the *Event Day* field to configure the frequency of document creation for standing payment orders, as well as the order of acceptance for these documents:

- "Daily" – daily generation of a document for a payment order. The *Event Day* field is not filled in. The document is generated and processed by the "Contracts – Daily Update" procedure.
- "Weekly" – a document for the standing payment order is created once a week. The date is determined as follows: the *Event Day* field shows the day of the week on which the document is created and posted by the "Contracts – Daily Update" procedure (see the "Contracts Daily Update Procedure" section in the Daily Procedures User Manual); the day of the week is indicated by numbers (1, 2, ..., 7), where "1" = "Monday".
- "Monthly" – a document for the standing payment order is created once a month. The creation date is determined as follows: the *Event Day* field shows the calendar day on which the document is created and posted by the "Contracts – Daily Update" procedure.
- "Monthly – a document for a standing payment order is generated once a month. The order's activation time (date) depends on the "Morning"/"Evening" mode set by the ORDER_IN_START_OF_DAY parameter (see the section "Processing Standing Payment Orders ("Morning"/"Evening" Mode)").
  - For "Morning" mode, a payment order activates when the day after the day specified in the *Event Day* field is opened. If the date for activation falls on a weekend/holiday, the order will activate when the first working day opens after the weekend/holiday (when "Monday" opens).
  - For "Evening" mode, an order activates when the day specified in the *Event Day* field closes. If the date for activation falls on a falls on a weekend/holiday, the order will activate when closing the last working day before the weekend/holiday (when closing "Friday"). If activation of an order must be shifted to when the first working day after the weekend/holiday is closed (when closing "Monday"), the DUE_TO_WRK_DAY=Y tag must be set in the payment order's *Posting Details* field.
- "Quarterly" – a document is created once a quarter. The creation date is determined as follows: the *Event Day* field indicates the quantity of days at the beginning of the quarter after which the document is created and processed through the "Contracts – Daily Update" procedure. If the date falls on a non-working day, document creation and posting take place on the next banking day.
- "Yearly" – a document is created once a year. The creation date is determined as follows: a year plus the number of months specified in the

Event Day field must elapse after the day the contract is opened until the document is created and processed through the "Contracts – Daily Update" procedure. If the indicated date falls on a non-working day, document creation and posting take place on the next banking day. For instance, if the contract is opened on 10 January, 2009 and the value entered in the *Event Day* field is "5", a document as to the payment order will be created on 10 June, 2010.

- "Billing Date" – a document is created once a given billing cycle. The creation date is determined as follows: the *Event Day* field indicates the quantity of calendar days at the beginning of the billing cycle after which the document is created and processed through the "Contracts Daily Update" procedure. The length of the billing cycle itself is defined through the Accounting Scheme configuration. If the indicated date falls on a non-working day, document creation and posting take place on the next banking day.
- "Single" – used to describe a "single" payment, which, unlike regular payments, is made whenever it is required, for example, through an ATM.
- "Interbranch" – used to configure special standing payment orders for fee transfers in interbranch operations (see an example under subheading "Transferring Fees to Other Financial Institutions"). It works as follows: during an interbranch operation, a document is created to transfer the fee amount from the source branch revenue account to the target branch revenue account. Initially, it has the "Waiting" status. Until the document is posted and has the "Posted" status, every identical operation will increase the document amount. After the document is posted, a new document will be generated when executing the next interbranch operation. It is not possible to create an individual standing payment order of this type.
- "Event Opened" – used to activate a standing payment order through an opened Event indicated in the *Event Type* field. A document is created and posted when the Event is opened. It is not possible to create an individual standing payment order of this type.
- "Event Closed" – used to activate a standing payment order through a closed Event indicated in the *Event Type* field. A document is created and posted when the Event is closed. It is not possible to create an individual standing payment order of this type.
- "Normalisation" – in this case, the payment order serves to redefine amount normalisation (see the "Limit Normalisation" section of the Way4™ Accounting Schemes Administrator Manual). A payment order of

this type only generates a macrotransaction. A macrotransaction is created and processed prior to the normalisation procedure (for an example, see "Multicurrency Normalisation"). For the processing to take place after normalisation, a negative value must be assigned to the *Priority* field (see the description of this field under subheading "Transaction Description"). Payment orders of this type must contain the "General" value in the *Order Category* field.

- "Account Due" – redefines due normalisation for all due normalisation types except for "End Cycle Due" and "Quarter". For instance, field *Target Template* of a standing payment order redefines field *Due Template* of an account template. A payment order of this type only generates a macrotransaction. It is not possible to create an individual payment order of this type.
- "Account Interest" – – redefines interest accrual. For instance, the *Source Account* field of a standing payment order redefines the *Interest Template* field of an account template. A bank contract and a type of an account of a bank contract used for interest accrual can be redefined in fields *Target Number* and *Target Acc Type*, respectively. If they do not need to be redefined, specify in fields *Target Number* and *Target Acc Type* the bank contract and account type specified in the account template. A payment order of this type only generates a macrotransaction. It is not possible to create an individual payment order of this type.
- "Supplementary" – this value is used when configuring supplementary payment orders (see "Supplementary Standing Payment Orders"). A payment order of this type only generates a macrotransaction.
- "Interest by Credit" – this type of payment order is used to accrue interest for the elapsed part of the billing period when transferring money from this account to another account of the same contract. A payment order of this type only generates a macrotransaction.
- "End Cycle Due" – a document for the standing payment order is generated and processed by the "Contracts – Daily Update" procedure executed when opening a billing cycle. The document is processed before due normalisation of accounts with due normalisation types "End Cycle Due" and "Quarter". To process it after normalisation, specify a negative value in the *Priority* field of the standing payment order (see a description of the field in section "Transaction Description").
- "Use Contract Date" – a document for a payment order is generated for a specific contract functional date. The functional date that will be used

is specified in the order's *Posting Date* field using the USE_DUE_DATE=<date code> tag. For example, USE_DUE_DATE=DUE_DATE; by default (if the tag is not set, "DueDate" (DUE_DATE) is used to process orders. See the section "Functional Dates" of the document "Contract Functional Dates".

  - "Custom" – the frequency of generating documents for a standing payment order is defined using a custom procedure.

- *Event Day* – used in conjunction with the *Date Event* field to configure the frequency of document creation for standing payment orders.
  - If *Date Event* contains the "Daily" value, this field is not filled in
  - If the *Date Event* field contains "Weekly", "Monthly", "Quarterly", "Yearly", or "Billing Date", then the *Event Day* field indicates the quantity of calendar days at the beginning of the week, month, quarter, year, or billing cycle after which a document should be created.
- *Amount Event* – used in conjunction with the *Order Type* field to specify a criterion for generating a document according to the standing payment order.
- *Target Amount* – defines a fixed document amount.
- *Amount Percent* – defines a document amount as a percentage of the amount remaining in the account.
- *Amount Curr* –currency of the document amount.
- *Event Type* – the type of Event that initiates the payment (for more details on working with system Events, see the Events Administrator Manual).

Note that a payment is initiated for a contract for which an Event was opened. I.e. if a payment order uses an account balance amount (for example, when the value of the *Order Type* field is "Downgrade To"), when the Event specified in the *Event Type* field opens, the account balance of the contract for which the Event was called will be examined. If the Event is called for a subordinate contract, the balance will be taken from the subordinate contract.

- *Check Target* – used to check whether it is possible to generate a document in the event that this account is replenished from an account belonging to another contract registered in the system. The field can take on one of the following values:
  - "Check Available" – a document will be generated only if the calculated amount of the document does not exceed the Amount Available of the

debited contract. If the *Tgt Balance Type* field is not filled in, the hardcoded AVAILABLE balance type will be analysed (the balance amount with consideration of funds held by authorisations is analysed). If a balance type is specified in the *Tgt Balance Type* field, the actual amount of this balance is checked (without consideration of funds held by authorisations), see the description of the *Tgt Balance Type* field.

- "Check Balance" – a document will be generated only if the calculated amount of the document does not exceed the Amount Available minus the credit amount. The Amount Available (if the *Tgt Balance Type* field is not filled in) is determined by the hardcoded "TOTAL_BALANCE" balance type (the balance amount with consideration of funds held by authorisations is analysed).

  If a balance type is specified in the *Tgt Balance Type* field, the actual amount of this balance is checked (without consideration of funds held by authorisations), see the description of the *Tgt Balance Type* field.
- "Advice" – a document will be generated regardless of the debited contract's Amount Available and balance.
- "Check Minimum" – this value should be used with the *Check Target* field filled in. In this case, the balance amount posted to accounts is compared with the balance amount with consideration of holds and the lesser amount is selected for comparison. I.e. this value can be used to compare a document's amount with a blance type amount with consideration of holds for authorisations. If the *Tgt Balance Type* field is not filled in, the minimum value from the "AVAILABLE" and "TOTAL_BALANCE" amounts is used.

- *May Be Partial* – specifies whether or not a partial transfer is possible. The field can take on either "Yes" or "No". It is used in the following way: if "Yes" is specified in the field and the calculated document amount is higher than the Amount Available of the debited contract, the amount of the document will be equal to the Amount Available of the debited contract.
- *Balance Type* – drop-down list of balance types registered in the system. The value of the balance type specified in the field will be used to calculate the standing payment order amount instead of the balance of the account.
- *Tgt Balance Type* – drop-down list of balance types registered in the system, used as follows: if "Check Available" or "Check Balance" is selected in the *Check Target* field, a document will only be generated if the calculated document amount does not exceed the value of the specified balance type. The actual amount of the balance type is analysed (amount posted to accounts). If a document amount must be compared with the

value of a specific balance type with consideration of holds for authorisations, the "Check Minimum" value of the *Check Target* field can be used together with the *Tgt Balance Type* tag.

- The *Max Amount* and *Min Amount* fields allow the maximum and minimum amount of a standing payment order to be limited.


The *Target Amount* and *Amount Percent* fields must not be used at the same time.


If the *Event Type* field indicates a name of an Event and the *Date Event* field indicates a value other than "Event Opened" or "Event Closed", then the indicated Event will be opened when the standing payment order is activated.

If flexible dates of activation will be used for a general payment order (for example, in different situations, an order may be activated daily, weekly, or monthly), set up several orders and use a classifier to activate the required order.

1.3.3 Defining Corresponding Accounts

There are a few set ways to define corresponding accounts for standing payment orders. Accordingly, fields in the form for defining the corresponding account are also divided into groups. When using one group of fields to define a corresponding account, the other groups of fields should be left blank.

In determining the corresponding account of a standing payment order, the following instructions are used:

- If the corresponding account is an account of the same contract for which the standing payment order is configured, the *Target Template* field is filled in with the name of the corresponding account.
- If the corresponding account is an account of a contract linked to the current contract through a Liability, Main/Sub or Related link, the following fields are used:
  - The *Target Spc* field indicates a related contract if the corresponding account belongs to one; if not, this field is not filled in.
  - The *Use Liability* field may contain one of the following values:
    - "Yes", if the corresponding account belongs to a higher liability contract (Full Liability Main or Affiliated Main)
    - "To Sub", if the corresponding account belongs to a lower liability contract; to select a specific contract from the list of lower liability

contracts, specify the code of the Product used by the required contract in the *Target Number* field.


The Liability contract's Product code must be specified in the *Target Number* field, otherwise the order will be activated. If a contract has several subordinate Liability contracts, the order will be activated once for an arbitrary subordinate Liability contrat with this Product.

- "No" (or blank field) – in other cases

- The *Target Acc Type* field should indicate a name of the payment target contract's account type. The field value is selected from the list of all account types registered in the system (see the "Account Types" form found at the "Full →Configuration Setup →Accounting Setup →Account Types" menu path).

- To configure a standing order to make a direct payment (for example, a public utility payment to a standard payee through an ATM, the *Payment Type* and *Counter Party* fields must be filled in. For more information, see the section "Direct Payments with Standing Payment Orders".


For standing payment orders on public utilities, the *Date Event* field should read "Single".

- If the payee is registered in the Way4 database and it is possible to identify its contract in the system by its ID, then the following fields are filled in:
  - The *Target Number* field indicates the number of the target contract in Way4.
  - The *Target Acc Type* field indicates the account type name of the target contract. It is selected from a list of all account types registered in the system (see the "Account Types" form, which is opened by clicking the "Full →Configuration Setup →Accounting Setup →Account Types" menu item).
- If the payee is identified in an external payment system by the contract's RBS number, the following fields are filled in:
  - The *Target Member ID* field should indicate the value of the client bank identifier corresponding to the bank ID contained in the *Bank ID Code* field of the "RBS Bank Identification Codes" table (see the "BIC Table" section in the Acquiring Module User Manual).
  - The *Target Number* field should indicate the RBS number of the payee's contract (for example, the client's settlement account in the bank).

The following fields are also used to define the corresponding account:

- *Target Details 1*, *Target Details 2*, *Payment Details* – fields for entering additional information on the corresponding account, e.g. the payee's tax identification number.

  If the *Payment Details* field is filled in for a standing payment order, its value is copied to the *Transactions Details* field of the document generated for the payment order. Otherwise, the *Transactions Details* field of the generated document reads "Standing payment order".

- The *Posting Details* field is used exclusively to enter tagged information (see the section "Tags used when processing standing payment orders" of the document "Setup Tags"). In particular:

  - The *Posting Details* field is used if it is necessary to redefine the corresponding account of a general payment order on the contract level. This means that in template generation of documents for all contracts using this Accounting Scheme, the target account can be redefined for a certain contract. This setting is made using contract tagged parameters: the tags TGT_NUM_TAG=<TAG_NAME>;TGT_MBR_TAG=<TAG_NAME>; are set in the *Posting Details* field (for more information, see the section "Tags used when processing standing payment orders" of the document "Setup Tags"). These tags with the corresponding values are specified on the contract level.
  - The *Posting Details* field can be used to configure supplementary standing payment orders (see the section "Supplementary Standing Payment Orders") and to determine the amount of a document.

  
  It is not recommended to configure standing payment orders with the BY_BATCH tag for issuing contracts if the Reversal Management module is used. These orders are not processed correctly when adjusting transactions in the Reversal Management module.

  The value of the *Posting Details* field is copied to the *Reason Details* field of the document generated for the standing payment order.

- The *Order Comment* field is used to enter general comments explaining the purpose of a payment order.

1.3.4 Activating/Deactivating Standing Payment Orders

Inherited standing payment orders are created in an inactive state. They can only be activated on the account level.

If the template payment order indicates the "No" value for activation, the inherited standing payment order also becomes inactive, although it may contain the "Yes" value in the *Is Active* field.

In addition to manual activation/deactivation of standing payment orders, the system also allows for activating/deactivating them automatically in cases where:

1. A specified date arrives
2. A contract is moved from one behaviour type to another
3. A specified State is activated/deactivated
4. A specified Event is opened/closed.

In the first case, standing payment order activation and deactivation dates are specified in fields *Date From* and *Date To*, respectively. If the field *Date From* is filled in, but the field *Date To* is left blank, the standing payment order will be activated on the date specified in the field *Date From* and remain active until it is deactivated through other mechanisms. If the field *Date To* is filled in, but the field *Date From* is left blank, the standing payment order will be active since it is activated through other mechanisms until the date specified in the field *Date To*.

For the second case, the *If Beh Type* field is used. The standing payment order will be activated when the contract is moved to the behaviour type indicated in this field. The field filled in by selecting a behaviour type from a behaviour group set up for the Accounting Scheme (see the "Form "Account Schemes"" section of the Way4™ Accounting Schemes Administrator Manual).

For the third case, the *Active if State* field is used. It indicates the State whose activation will activate the standing payment order (see the States Administrator Manual). This field is filled in by selecting a State from the list, which is generated depending on the contract category. For private issuing contracts, for instance, this list is generated using the "Full →Configuration Setup →Products →Issuing Private Products →Issuing Event States" menu item. For acquiring contracts, the "Full →Configuration Setup →Products →Acquiring Products →Acquiring Event States" menu item is used.


Note that value "Yes" must be specified in the *Is Active* field of standing payment orders whose field *Active if State* is filled in.

For the fourth case, the *Posting Details* field of the standing payment order (see Fig. 1 in section "Parameters of General/Template Standing Payment Orders") is used. It should contain the "‹Event Status›:‹Event Code›:‹Sign›;" value, where:

- ‹Event Status› takes the "P" value if the standing payment order is activated/deactivated when the Event is opened or the "C" value if the standing payment order is activated/deactivated when the Event is closed
- ‹Event Code› is the code of the Event whose opening/closing activates/deactivates the standing payment order.
- ‹Sign› takes the "+" value if the standing payment order is activated when the Event is opened/closed or the "–" value if the standing payment order is deactivated when the Event is opened/closed.
- For example, to activate a standing payment order when an Event with the "E1" code is closed, it is necessary to specify the "C:E1:+;" value in the *Posting Details* field. To deactivate a standing payment order if an Event with the "E2" code is opened, it is necessary to specify the "P:E2: –;" value in the *Posting Details* field.

1.3.5 Supplementary Standing Payment Orders

The system allows documents to be created for standing payment orders as a result of a document being created for some other standing payment order. In this case, the values of the *Order Code* fields of the two payment orders should be the same.

By default, supplementary payment orders use the original order's amount and currency. If the amount and currency of the supplementary payment order itself must be used for a supplementary payment order, set the OWN_AMOUNT tag in the order (see the section "Tags used when processing standing payment orders" of the document "Setup Tags").

Supplementary orders are created with the "General" category.

"Credit Amount" or "Debit Amount" may be specified in a Supplementary order's *Order Type* field.

It is possible to create documents for supplementary standing orders through the following processes:

- Interest accrual on the amount remaining in the account; for this, indicate "INT=‹Debit Account Type Code›‹Credit Account Type Code›;" in the *Posting Details* field of the standing payment order (see Fig. 1 in section "Parameters of General/Template Standing Payment Orders").
- Due normalisation, for this, indicate "DN=‹Debit Account Type Code›‹Credit Account Type Code›;" in the *Posting Details* field of the standing payment order (see Fig. 1 in section "Parameters of General/Template Standing Payment Orders").

- Limit normalisation, for this, indicate "LN=‹Debit Account Type Code›‹Credit Account Type Code›;" in the *Posting Details* field of the standing payment order (see Fig. 1 in section "Parameters of General/Template Standing Payment Orders").
- Change of the credit limit amount; for this, indicate "CL=+;" or "CL=−;" in the *Posting Details* field of the standing payment order (see Fig. 1 in section "Parameters of General/Template Standing Payment Orders").

See the section "Tags used when processing standing payment orders" of the document "Setup Tags".

In the above examples, ‹Debit Account Type Code› and ‹Credit Account Type Code› refer to the debit account type code and credit account type code respectively (see the "Account Types" section of the Way4™ Products. Accounting Schemes Administrator Manual).

1.4 Configuring Redefinition of Template Order Parameters in a Contract

When generating an order according to a template, Way4 allows a number of template order parameters to be redefined with values set on the level of a specific contract (or on the tariff level). To do so:

- Special predefined tags (see below) are used in a payment order's *Posting Details* field. As their values, arbitrary tags are specified that are checked on the contract level and the values of which are used instead of template parameters. The list of predefined tags:
  - ORDER_PCNT_PARM – sets an arbitrary tag used in a contract to redefine the value of the *Amount Percent* (AMOUNT_PERCENT) field of the template order.
  - ORDER_MIN_PARM – sets an arbitrary tag used in a contract to redefine the value of the *Min Amount* (MIN_AMOUNT) field of the template order.
  - ORDER_MAX_PARM – sets an arbitrary tag used in a contract to redefine the value of the *Max Amount* (MAX_AMOUNT) field of the template order.ORDER_AMNT_PARM – sets an arbitrary tag used in a contract to redefine the value of the *Amount Event* (AMOUNT_EVENT) field of the template order.
  - ORDER_TGT_AMNT_PARM – sets an arbitrary tag used in a contract to redefine the value of the *Target Amount* (TARGET_AMOUNT) field of the template order.

  - TGT_NUM_TAG and TGT_MBR_TAG – sets arbitrary tags tags used on the contract level to redefine the corresponding account (the *Target Number* and *Target Member ID* fields of the template payment order, respectively).

    See the section "Tags used when processing standing payment orders" of the document "Setup Tags".

- On the contract level, in the ADD_INFO field, arbitrary tags are specified that were defined as values in the previous step, and their values are set.

For example, the ORDER_PCNT_PARM=ORDER_PCNT; tag is set in the *Posting Details* field of a message template. The contract's ADD_INFO field contains the ORDER_PCNT tag with a value for redefining the *Amount Percent* (AMOUNT_PERCENT) parameter of the order. This value is used when generating an order for a contract.

Tariff type codes of tariffs with the "Threshold" role can be set as ORDER_PCNT_PARM, ORDER_MIN_PARM, ORDER_MAX_PARM, ORDER_AMNT_PARM, and ORDER_TGT_AMNT_PARM tag values. In this case, the values of the corresponding fields will be redefined on the tariff level. For more information, see the document "Way4™ Advanced Tariff Management".

1.5 Special Grids for Entering General/Template Standing Payment Orders

To create and configure different types of standing payment orders, it is convenient to use special grids. Buttons that invoke each grid are presented in the "Definition for ‹name of Accounting Scheme›" grid (see the "Full Information about Accounting Scheme Templates" section of the Way4™ Products. Accounting Schemes Administrator Manual):

- The [SO Due] button invokes the "SO Due" grid, which is used to redirect due normalisation configured for the account template in the Accounting Scheme.
- The [SO Norm] button invokes the "SO Norm" grid, which is used to redirect amount normalisation configured for the account template in the Accounting Scheme. An example of how this type of standing payment order is used can be found under subheading "Multicurrency Normalisation".
- The [SO Evnt Base] button invokes the "SO Evnt Base" grid, which is used to configure a standing payment order for which the system creates a document when an Event is opened or closed. An example of how this type

of standing payment order is used can be found under subheading "Activating Standing Payment Orders by Events".

- The [SO Interest] button invokes the "SO Interest" grid, which is used to configure a standing payment order for redirecting interest accrual. An example of how this type of standing payment order is used can be found under subheading "Instead Orders".

1.6 Parameters of Inherited Standing Payment Orders Created on the Basis of a Template

Inherited standing payment orders are created on the basis of a template on the contract level manually or using the Advanced Applications module.

An inherited standing payment order is manually created in a contract's form (for example, Full →Issuing →Contract Input & Update →Issuing Contract (Private)):

- Click the [Activate] button in the contract form and execute the "Create Order by Template" context menu command. The "Create New Order" form will open (see Fig. 2).

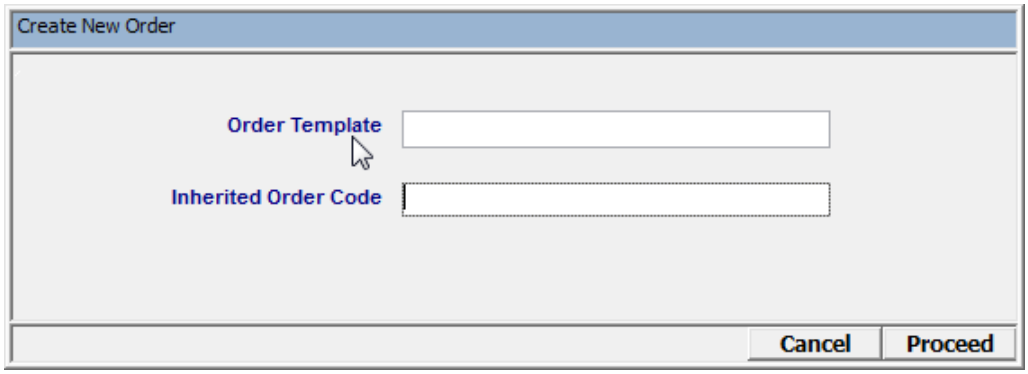

Fig. 2. Choosing a template for creating an inherited standing payment order

- Fill in the following fields in the "Create New Order" form:
  - In the *Order Template* field's list, choose the code of the template in the Accounting Scheme, based on which the payment order is being created.

    If one template order is set up in the Accounting Scheme, the *Order Template* field can be left empty. In this case, the template order code will be determined automatically.
  - In the *Inherited Order Code* field, specify a unique code that will be assigned to the inherited payment order. This code will be used to search for the order, for example, to make changes using the Advanced Applications module.

If this field is left empty, a unique code for the order will be generated automatically.

The form's fields are filled in similarly to a general/template payment order form's fields (see the section "Parameters of General/Template Standing Payment Orders").

- After filling in the fields, click the [Proceed] button. An inherited payment order will be created for the contract. Inherited standing payment orders are created in an inactive state. The form for the new inherited order will open.
- Inherited standing payment orders are additionally configured and activated in the "Create Order by Template" form that opens automatically after creation of an inherited payment order, or in the "Pers Orders for <account name>" form opened by clicking the [Pers Orders] button in the contract form or in the "Accounts for <contract name>" form. "Create Order by Template" and "Pers Orders for <account name>" form fields are the same, see Fig. 3.

Existing (created before version 03.41.30) individual payment orders for issuing and acquiring contracts are shown when the [Pers Orders] button is clicked. Starting from version 03.41.30, individual payment orders can only be created for bank contracts.

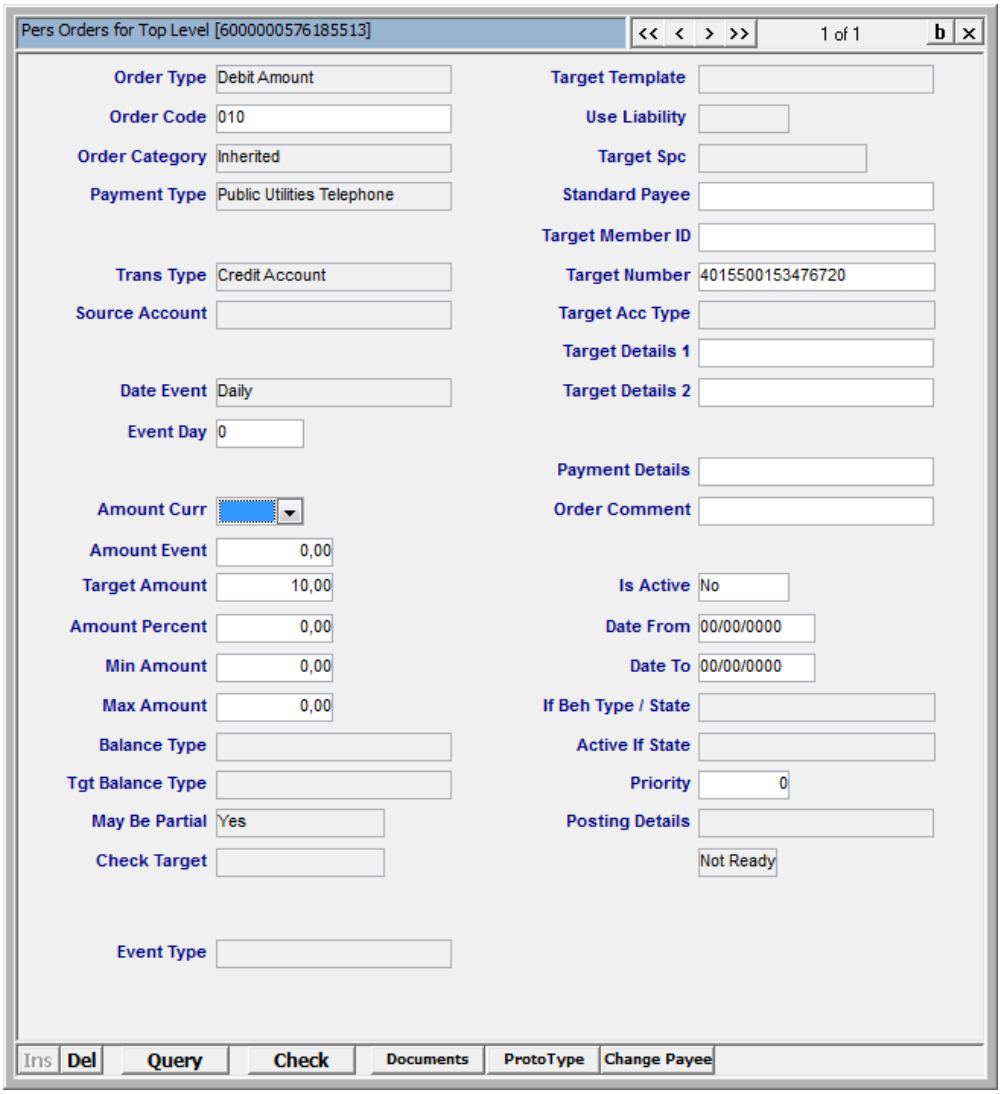

Fig. 3. Form for an inherited standing payment order

Fields for inherited standing payment orders are separated into two groups:

- Standing payment order custom fields. This group consists of the following fields:
  - Some fields describing a payment's corresponding account: *Counter Party, Target Member ID, Target Number, Target Details 1, Target Details 2, Payment Details*.
  - Fields determining a document amount (*Amount Curr*, *Amount Event*, *Target Amount*, *Amount Percent*, *Min Amount*, *Max Amount*).
  - Field determining the frequency for generating a document – *Event Day*.
  - The fields *Order Code*, *Order Comment*, *Is Active*, *Date From*, *Date To*, *Priority*.

Changes to these fields made in template payment orders are not reflected in inherited orders.

- ♦ The *Payment Type* and *Date Event* fields can be edited if the UNIQUE_INHERITED; tag is not set in the template used to create the order. If the values of these fields were redefined in an inherited order, they will not be synchronized with the template. If they were not redefined, when the values of these fields are changed in a template order, they will be updated in the inherited order.

- ▪ The rest of the form's fields are template (inherited) fields of a standing payment order. This group of fields cannot be edited on the contract level (these fields are filled in when generating a template payment order). When the values of these fields are changed in the Accounting Schme, they are updated in inherited standing payment orders.

  The *Posting Details* field is included in the set of (inherited) fields synchronized with the template. I.e. if the *Posting Details* field is filled in for an application to create/change an inherited order, this data will not be saved.

The [Prototype] button is used to view the template payment order based on which a given inherited payment order was created.

When the [Check] button is clicked, Way4 checks that standing payment order fields have been filled in correctly, and informs the user of the check results. Way4 creates a standing payment order document for a null amount. If the check is successful, the document will have the "Waiting" status; otherwise the document will have the "Closed" status.

The frequency for generating a standing payment order can be redefined on the contract level using the following settings:

- The *Date Event* field value (type of frequency for activating an order) is redefined using the tag DATE_EVENT_TAG. See the section "Tags used when processing standing payment orders" of the document "Setup Tags".
- The *Event Day* field value is redefined using the tag DATE_EVENT_DAY_TAG. See the section "Tags used when processing standing payment orders" of the document "Setup Tags".

An inherited payment order will activate with a specified frequency on specified days. For example, the same payment order with the "Monthly" value of the *Date Event* field may activate on different days of the month, depending on the value of the tag in the contract.

For inherited orders created before version 03.41.30, when the *Order Code* field of a template and inherited order was not mandatory, note the following:

- To save requisites of inherited payment orders defined on the contract level when changes are made in Accounting Schemes (i.e. when changing the template of an inherited order), the template's *Order Code* field must be filled in. When changing an Accounting Scheme if there is a similar template in the target scheme, with the same code, inherited payment order requisites will be saved. Otherwise, inherited payment orders are deactivated and requisites are not saved.
- To save requisites of inherited payment orders when transferring a contract to another financial institution. If there is a similar template in the target institution, with the same code, inherited payment orders requisites will be saved. Otherwise, inherited payment orders are deactivated and requisites are not saved.

To set up standing payment orders for paying utilities to an individual payee at an ATM see the section "Direct Payments with Standing Payment Orders".

1.7 Parameters of Individual Standing Payment Orders

Individual standing payment orders created without a link to a template are entered and edited in the "Indv Orders for <name of account>" form opened by clicking the [Indv Orders] button in a bank contract's "Accounts for <name of contract>" form.

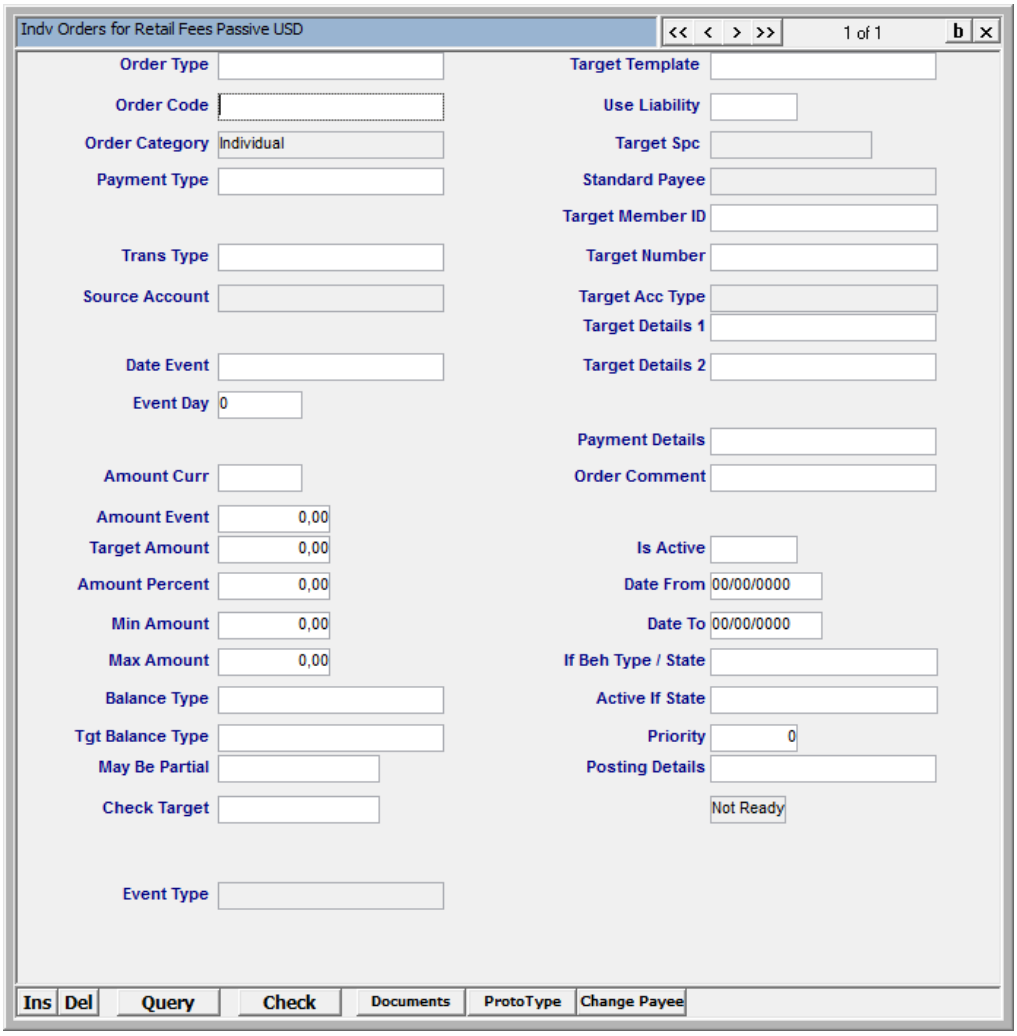

Fig. 4. Form for an individual standing payment order

The fields of the form are filled in the same way as the fields of general/template payment order form (see "Parameters of General/Template Standing Payment Orders").

Some of the fields displayed in the general/template standing payment order are not available in the personal payment order form due to limitations on creation of personal standing payment orders of specific types (see section "Transaction Description", description of field *Order Type*).

1.8 Direct Payments with Standing Payment Orders

Direct payments are made, for example, when paying utilities at an ATM. In doing so, financial documents to the payee are generated on the basis of payment orders; funds are transferred bypassing the acquirer on whose device the payment is being made.

For more information about direct payments, see the section "Payment (Transaction) Party Bank Requisites" in the document "Documents".

In standing payment orders, recipients of a direct payment are specified using the *Payment Type* and *Counter Party* fields:

- *Payment Type* – specifies the payment type (for example, type of utility). To work with the list of payment types, use the form "Payment on Account Types" (Full → Configuration Setup → Transaction Types → Payment on Account Types).

When the values "Counterparty". "Counterparty Bank", "Counterparty Corr Bank" of the payment party's *Party Type* field are used, and the *Payment Type* field is filled in, the payment order's *Trans Type* field must be filled in to determine the transaction's direction and record the payment party in the "Parties for" form as t*he payer or* payee.

- The *Counter Party* field is filled in from a special list of payment parties registered in Way4 as follows:
  - For a general/template standing payment order, a payment party is selected from the list "Payees for <name of payment type>" (standard payment parties) configured according to payment type in the form "Payment on Account Types" (Full →Configuration Setup →Transaction Types →Payment on Account Types →[Payees]).
  - Within inherited standing payment orders, custom lists of payment parties can be used. Payment parties are registered:
    - In the form "Payees for <name of client>", subordinate to the form with client parameters (for example, "Full →Issuing →Contracts Input & Update →Clients (Private) →[Client – Edit] →[Payees]").
    - In the "Payees for <contract name>" form, in the child form with contract parameters (for example, "Full → Issuing → ContractsInput & Update →Issuing Contracts (Private) →[Payees]").

    For more information about configuring payment party requisites, see the section "Payment (Transaction) Party Bank Requisites" in the document "Documents".

When the values "Counterparty". "Counterparty Bank", "Counterparty Corr Bank" of the payment party's *Party Type* field are used, and the TGT_PAYM_TAG tag is used, the payment order's *Trans Type* field must be filled in to determine

the transaction's direction and record the payment party in the "Parties for" form as the payer or payee.

When processing a document created according to a standard payment order referring to a payment party from the list of individual or standard payment parties, information about payee and payer requisites is registered under the document.

- Transaction target data is taken from the "Parties for <name of payment recipient>" form referred to by the payment order.

  When processing a general order, if the appropriate party is not found for the contract, a search will be made for a party for a client record.

- Transaction source requisite data is automatically taken from the system.

This data is viewed by clicking the [Parties] button in the document form (Full → Documents Input & Update →Doc - General Form →Doc – General →[Parties]).

For more information, see the section "Payment (Transaction) Party Bank Requisites" in the document "Documents".

2 Examples of Standing Payment Order Use

This section contains typical examples of the use of standing payment orders.

2.1 Retail Payments

Standing payment orders can be used to create daily documents through which funds in the form of issuer bankcard payments that have accumulated in the contract accounts of retail organisations will be transferred to the settlement accounts of those organisations.

To configure a standing payment order using a template, proceed as follows:

- For a merchant account template (for example, "Merchant Current") in the Accounting Scheme, configure a general standing payment order with the following parameters:
  - In the *Order Type* field, indicate value "Downgrade To".
  - In the *Trans Type* field, indicate value "Credit Account".
  - In the *Order Category* field, indicate "General".
  - In the *Date Event* field, select the "Daily" value from the list.
  - In the *Is Active* field, indicate "Yes".
- The payee is specified on the contract level (in the ext_data field) or in the Product (custom_data field). For more information, see the description of the tags TGT_MBR_TAG and TGT_NUM_TAG in the section "Defining Corresponding Accounts" and in the section "Tags used when processing standing payment orders" of the document "Setup Tags".

2.2 Public Utility Payments

Standing payment orders can be used to create payment orders that may be used to make online payments for public utilities.

The cardholder makes a payment through an ATM. As a result, the system creates a document in the database. Processing the document generates a charge from the contract account to the public utility payee's account. The funds will be blocked on the cardholder's account from the time the cardholder uses the ATM to the time the indicated amount is withdrawn from the account.

To configure a standard payment order using a template, proceed as follows:

- For a client deposit account template (for example, "Cl Deposit") in the Accounting Scheme, configure a template standing payment order with the following parameters:
  - In the *Order Type* field, indicate "Debit Amount".
  - In the *Trans Type* field, indicate "Credit Account".
  - In the *Payment Type* field, select a payment type from the list.
  - In the *Order Category* field, indicate "Template".
  - Set the *Date Event* field to "Single".
  - Set the *Is Active* field to "Yes".
- Configure the inherited standing payment order. To do this, click on the [Pers Orders] button in the contract's account. The screen will display the "Pers Orders for Cl Deposit" form, which allows the inherited payment order to be edited. In this form, do the following:
  - Indicate the payee (see "Defining Corresponding Accounts").
  - Set the *Is Active* field to "Yes".

2.3 Multicurrency Normalisation

Note: this approach is obsolete. To set up multi-currency products, contact OpenWay.

Multicurrency normalisation is used if the Accounting Scheme contains account templates in different currencies.

When there are normalising standing payment orders, multicurrency normalisation with these payment orders takes place regardless of the value of the global parameter MULTICURRENCY_NORMALIZATION (see the document "Way4™ Global Parameters"). When performing multicurrency normalisation this way, currency is converted either at the main rate or at an FX Type rate specified in the Accounting Scheme.

To take an example: in the Accounting Scheme whose basic currency is EUR, there are two accounts, Cl Deposit (USD) and Cl Deposit (EUR) (see Fig. 5).

For Cl Deposit (EUR), it is necessary to configure a standing payment order with the following parameters:

- Field *Order Type* – Upgrade To
- Field *Trans Type* – Debit Account

- Field *Date Event* – Normalisation
- Field *Target Template* should show the template of the account that will be used as a backup account for insufficient funds; in this case, Cl Deposit (USD)
- Field *Is Active* should read "Yes"

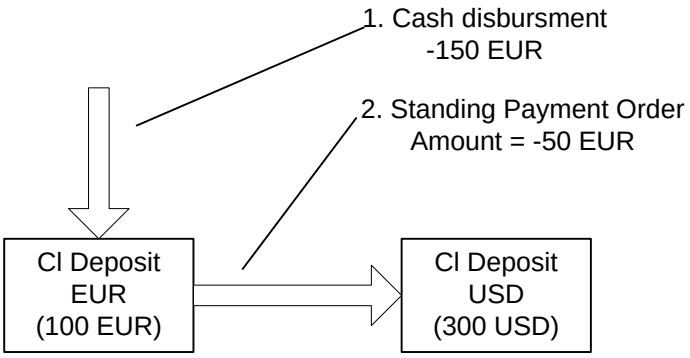

Fig. 5. Multicurrency normalisation through standing payment orders

When a transaction is executed, a charge is generated to the Cl Deposit (EUR) account. If the transaction amount exceeds limits set in the *Low Limit Amount* field, the overflow amount is withdrawn through a payment order from the Cl Deposit (USD) account. It should be kept in mind that the *Priority* field must indicate a positive value so that funds withdrawal takes place before the standard account normalisation procedure.

Multicurrency normalisation is also possible in Accounting Schemes with more than two currencies. For example, an Accounting Scheme may contain currencies EUR, USD and JPY. In this case, normalisation may include all three accounts. Their repayment priority for loans will depend on the defined standard payment order priority (see the description of the *Priority* field under subheading "Transaction Description").

In an example of multicurrency normalisation, it would be helpful to see how standing payment orders of the "Normalisation" type are used The example described above used a standing order of type "Upgrade To". In that case, normalisation was not considered for the Cl Deposit (EUR) account when calculating the charge amount to the Cl Deposit (USD) account.

For example, account "Cl Deposit (EUR)" is configured for account normalisation as shown in Fig. 6. In this case, if a standing payment order is configured with the parameter values indicated earlier, a charge for only 250 euros is generated to the "Cl Deposit (USD)" account when executing the transaction. For the "Cl Deposit (USD)" account to be charged with the amount including normalisation

for the "Cl Deposit (EUR)" account (250 euros + 200 euros + 17 euros), a standing order with the following parameters should be configured for this account:

- Field *Order Type* – "Normalisation"
- Field *Trans Type* – "Debit Account"
- Field *Date Event* – "Normalisation"
- Field *Target Template* should show the template of the account that will be used as a backup account for insufficient funds; in this case, "Cl Deposit (USD)"
- Field *Is Active* should be set to "Yes"

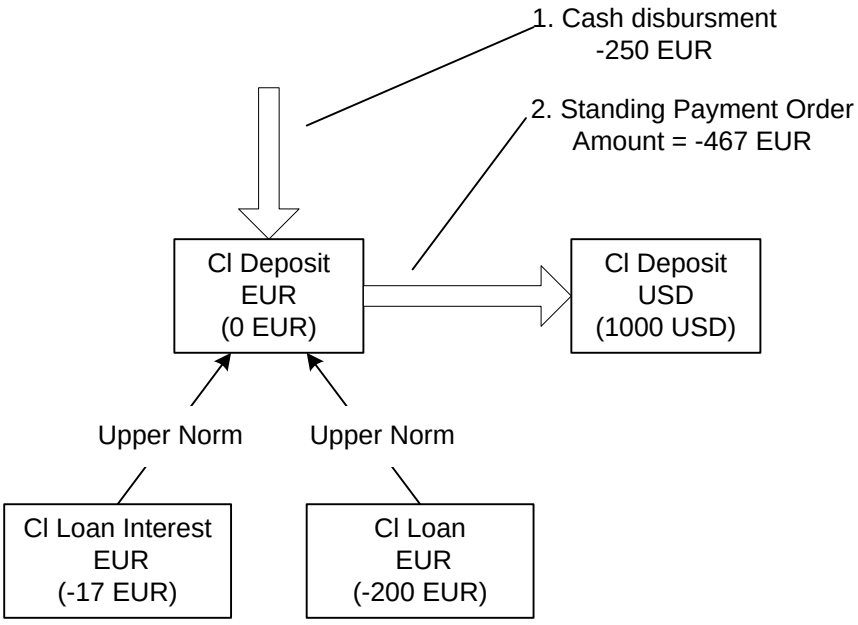

Fig. 6. Multicurrency normalisation through standing orders, with account normalisation included

When the transaction document is processed, a charge is generated to the Cl Deposit (EUR) account. A document is created for the standing order replenishing the Cl Deposit (EUR) account with funds from Cl Deposit (USD). The document amount is a composite of the overdraft amount and the loan amount of the accounts associated with the Cl Deposit (EUR) account through upper-limit normalisation. In this example, they are Cl Loan (EUR) and Cl Loan Interest (EUR). If there are not enough funds in the Cl Deposit (USD) account, the document amount will be adjusted to be equal to the amount remaining in the Cl Deposit (USD) account. The funds will be distributed between the Cl Deposit (EUR), Cl Loan (EUR) and Cl Loan Interest (EUR) accounts according to the amount normalisation configuration.

When a tariff is used to set up a hidden markup to the bank FX rate (FX Rate Markup), this tariff must not contain parameters that define the currency (the

tariff's Currency field must remain empty). See the section "Tariffs with the "Conversion" Role" of the document "Way4 Advanced Tariff Management".

2.4 Transferring Fees to Other Financial Institutions

When executing interbranch operations, fees often need to be transferred to another branch's account. In this case, a special standing payment order is configured for the branch's fee account.

For example, the system registers financial institutions FI 1 and FI 2. The system must be configured so that when a card from FI 2 is acquired in an ATM belonging to FI 1, the appropriate fee is transferred to FI 1.

For this, a standing payment order with the parameters described below needs to be configured for a bank contract account belonging to FI 2. This is the account to which fees will be transferred according to the card contract's Target service (for example, the Client Fees Passive account of contract "002-Client Fee").

- *Order Type* – Debit Amount
- *Trans Type* – Credit Account
- *Order Category* – General
- If the *Date Event* field contains value "Interbranch", a document with the "Waiting" status will be created when executing an interbranch operation. This document will transfer fee funds to the target branch revenue account. Until posting occurs and the document takes on status "Posted", every subsequent operation will increase the document amount. When the next interbranch operation is executed, a new document will be created.
- *Target Number* – the number of the bank contract belonging to FI 1; fees will be transferred to this contract's account. The insitution's code in the contract number may be arbitrary (for example, "001-BRANCH_ACQ_FEES"). When a document is created, the institution's code in the contract number will automatically be replaced by the actual code of the counterparty financial institution. Therefore, it is not the document's target_number that falls in the contract number 001-BRANCH_ACQ_FEES (see above), but, for example, the number 123-BRANCH_ACQ_FEES (if the device belongs to an institution with the code 123).
- *Target Acc Type* – the type of the account of FI 1's bank contract to which fees will be transferred (for example, "Cash Fees Passive").
- *Is Active* – "Yes".

2.5 Changing Contract Behaviour Types

Consider the following example. A contract is moved from the first behaviour type to the second or higher. The following actions need to be executed automatically:

- Loan interest already accrued to the loan interest account must be transferred to an off-balance loan interest account (see "Activating Standing Payment Orders by Events").
- From that time to the time the contract returns to the first behaviour type, loan interest should be accrued to the off-balance interest account (see "Instead Orders").

2.5.1 Activating Standing Payment Orders by Events

For a client loan interest account (for example, "Cl Loan Int"), a standing payment order with the following parameters is configured:

- Field *Order Type* indicates the "Upgrade Advice" order type
- Field *Trans Type* contains the "Debit Account" value
- Field *Data Event* indicates "Event Opened"
- Field *Event Type* contains a name of an Event described earlier
- Field *Target Template* indicates an off-balance loan interest account (account template)
- Field *Is Active* is set to "Yes"

As a result of transferring a contract from the first behaviour type to the second or higher one, a preconfigured Event opens (see the Events Administrator Manual).

When the Event opens, the standing payment order is activated. This creates a document transferring the loan interest already accrued to the loan interest account (for example, "Cl Loan Int") to the off-balance loan interest account (for example, "Cl Loan Int Off").

2.5.2 Instead Orders (Redirecting Interest Accrual)

To redirect loan interest accrual when moving a contract from the first behaviour type to the second or higher one, an inactive standing payment order with the following parameters must be configured for the account from which interest is accrued (for example, "Cl Loan"):

- Field *Order Type* indicates the "Credit Amount" order type.
- Field *Source Account* indicates the off-balance loan interest account or account template (for example, "Cl Loan Int Off").
- Field *Date Event* indicates "Account Interest".

- Field *If Beh Type* indicates a behaviour type name. The standing payment order will be activated when the contract is moved to this behaviour type.
- Field *Target Acc Type* indicates the type of the off-balance loan interest account (for example, "Loan Int Accrual Off").
- Field *Is Active* reads "No".
- The *Target Number* field must be left empty.

When a contract is transferred from the first behaviour type to the second or higher one, the standing payment order will be activated. Until the contract returns to the first behaviour type, interest will be accrued to the off-balance loan interest account (for example, "Cl Loan Int Off").

When there are several Instead orders in the same account, an order's priority can be set using the *Priority* field. Orders will be processed in the following order (for example when there are orders with positive and negative *Priority* field values): 30, –20, –10, 0, 10, 20, 30.