

What's New in

# Regulatory Compliance

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# | Release Highlights



# Regulatory Compliance

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## IFRS9 Accounting » ECL Calculations under Different PiT PD Options

The Probability of Default (PD) and Loss Given Default (LGD) values are not calculated in the IFRS9 solution but a framework is provided to upload these values. Since different types of PDs can be uploaded from an external source, IFRS processing is enhanced to support the Expected Credit Loss (ECL) calculations depending on the type of PD that is received.

The PD used for IFRS9 should be PIT probabilities. Thus, PD is a multi-value field in IFRS9 with a minimum of two PDs that can be defined. There are various PD options such as 12 month (applicable for stage 1 contracts), lifetime, marginal PIT or cumulative PIT (applicable for stage 2 and 3 contracts) and 100% PD (applicable for stage 3 contracts).

As multiple types of PD can be uploaded from an external source, IFRS processing applies the selected PD type on the corresponding ECL calculation associated with the type of PD received.

The topics related to this feature are given below:

[ECL Calculations under Different PiT PD Options](#)

[IFRS.PARAMETER](#)

## IFRS9 Accounting » Modification and Derecognition of Loans

The IFRS9 standards provides specific guidance on whether a financial instrument should be derecognised or modified, when there is a debt restructuring or modification from the original contractual terms. It also provides the accounting treatment on debt restructuring or modification from the original



contractual terms.

The I9 module supports modification and derecognition accounting according to IFRS guidelines. When there is a modification in the original terms of the financial asset, the system automatically triggers:

- Modification accounting when the outcome of the quantitative test is non-substantial.
- Derecognition accounting when the outcome of the quantitative test is substantial.

This allows banks to comply with the appropriate accounting methods as per IFRS9 guidance whenever there is modification on the terms of financial instrument.

**The topics related to this feature are given below:**

[Modification and Derecognition of Loans](#)

[PD LGD Levels](#)

[Loan Commitments](#)

[Commitments on Overdrafts and Credit Cards](#)

[Extension of LIMIT Products for IFRS](#)

[Model Parameters - International Financial Reporting Standards \(IFRS\)](#)

[PV.PROFILE](#)

[Enquiries and Reports](#)

## Consent Management » Capturing Channel Details in Data Protection Consent Arrangements

Temenos provides a new capability within the Data Protection Consent framework to capture the channel through which consent was obtained from a



customer.

This has been enabled at both consent type and sub type levels, enabling banks to record this at a granular level for audit purposes.

The topic related to this feature is given below:

[Channel Details](#)

## PSD2 Account Information » Recurring Indicator for Berlin Group APIs

Temenos provides support for the Recurring Indicator functionality under the Berlin Group API Guideline. This assists with validating and expiring PSD2 related consent depending on the type of access.

The Recurring Indicator value defines if the consent is for one-time access or for recurring access, and depending on the value, determines the system's ability to automatically expire the consent after use:

- If the consent is recurring, the consent remains valid for further account information calls until its expiry date or revocation by the customer.
- If the consent is for one-time access, the consent is expired by the system once it has been used by a TPP for an account information request.

The topic related to this feature is given below:

[Recurring Indicator](#)