

What's New in

Regulatory Compliance

March 2021

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| Release Highlights



Regulatory Compliance

Qualified Intermediary

The Qualified Intermediary or QI module is introduced in Temenos Transact to enable banks that act as a Qualified Intermediary (QI) as per chapter III of IRS, to comply with documentation and withholding requirements relating to the income received from US securities. Such income is subject to withholding under either Chapter III (QI) or Chapter IV (FATCA) of Internal Revenue Service (IRS).

Customer and Portfolio QI status Identification forms the basis for applying withholding tax when a transaction involves income from US securities. The QI functionality enables banks to identify their customers and assign a QI status based on the customer type, that is, individual or entity, tax residence, legal residence and documentation provided by the customers.

- The QI functionality enables banks acting as QI to discharge their responsibilities in terms of withholding and reporting on income received from US securities by their customers.
- The Securities and TAX modules enable transaction processing and withholding application as per the requirements of both Chapter III and IV of IRS.
- The availability of all transaction details involving income from US securities in a dedicated US Tax Data Base relieves QI banks from collating data to meet the reporting requirements.

Click [here](#) to understand the installation and configuration updates for this enhancement.

The topics related to this feature are given below:

[Qualified Intermediary](#)

[Tasks for Customer and Portfolio QI Status](#)



Model Parameters

Loan Loss Provisioning » Provisioning for Assets under Risk Segmentation

Banks using PV module, where provisioning is based on risk segmentation, specify a standard percentage for provisioning as applicable to a particular risk segmentation and risk classification. The PV module is enhanced with the *Seg Std Sec Api* field to allow a user-defined API to calculate the Standard and Secured Percentages for Risk Segmentation provisioning, as an alternative to static values in the *Seg Std Percent* and *Seg Sec Percent* fields.

This functionality allows banks to dynamically calculate the standard and secured percentages considering the asset, customer or any other risk attributes instead of applying static percentages across all the customers in that risk segment.

Click [here](#) to understand the technical impact of this enhancement for customisation and upgrades.

The topic related to this feature is given below:

[Risk Segmentation and Provision Process](#)

CRS Reporting » CRS Schema XML Updates

The CRS module in Temenos Transact supports the creation of CRS submission file. The module is now enhanced to support the creation of NIL return file. The CRS XML Schema functionality now allows users to generate a NIL return submission file by creating a new request in the `CRS.XML.REQUEST`



application with ID as NIL.REPORT. After the new request is submitted, a NIL return submission file is created in accordance with the XML layout associated with the NIL return file.

In the newly generated NIL return submission file, the *MessageTypeIndic* tag holds the value CRS703, which indicates there is no data to report. The *ReportingFI* and *CRSBody* sections should be listed, whereas the *AccountReport* section should be omitted from the report. The schema version number is updated from 1.0 to 2.0 to reflect the new schema version. This functionality provides the banks with the right tools to assist them in meeting the new requirements introduced by the new CRS schema Version 2.0

NOTE: The 2.0 schema version update is also applied to the Standard CRS submission file.

Click [here](#) to understand the technical impact of this enhancement for customisation and upgrades.

The topic related to this feature is given below:

[XML Report Generation](#)

Consent Management » Berlin Group

Confirmation of Funds Consent

Confirmation of Funds endpoints for Card Based Payment Instrument Issuer (CBPII) is developed to support the Berlin Group standard 1.3.4. Establishing a consent by a TPP (CBPII) is an extended service and this process is offered as an XS2A functionality.

The PSD2 Account Information module (PZ) supports the Account Information Service flows under the Berlin Group. The PZ module has been enhanced to assist banks to support the Confirmation of Funds Consent endpoints exchanged between the third-party provider (TPP) and Account Servicing Payment Service Provider (ASPSP).



The confirmation of funds service establishes a consent on a payment account between the PSU and ASPSP to have dedicated TPPs using this dedicated account for Confirmation of Funds Requests, and performs the actual confirmation of funds request.

This functionality provides the following benefits:

- Supports CBPII services to be operated by the TPP on behalf of the Payment Service user.
- The TPP will now be able to support the PSU onboarding process directly via the NextGenPSD2 XS2A interface.

The topics related to this feature are given below:

[PSD2 Confirmation of Funds Consent](#)

[Tasks for Account Consent Management](#)

PSD2 Account Information » Payment Account Definition for AA Products

The scope of PSD2 is limited to the types of accounts banks consider as Payment Accounts. It was previously possible to configure payment account types for specific CATEGORY codes or enable all types of accounts to be eligible as default. Banks can now additionally define Payment Accounts applicable for PSD2 using AA Product Groups or AA Products.

The topics related to this feature are given below:

[Account Consent Management](#)

[PZ.PARAMETER](#)

[PX.PARAMETER](#)



PSD2 Payments » Permissions Checks

Channels permissions can now be managed within Temenos Transact or within an external Temenos system within Infinity. The PSD2 workflows have been enhanced to be able to validate a user's channels permissions within Temenos Transact or within Infinity, depending on the Temenos system the bank uses in its architecture to manage their online user permissions.

The topics related to this feature are given below:

[PSD2 Single Payments](#)

[PZ.PARAMETER](#)

[PX.PARAMETER](#)

Installation and Configuration Notes



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Qualified Intermediary

QI is the product code for the Qualified Intermediary (QI) module. The RT module and the QI module must work in conjunction for the functionality to be complete. The QI module must be installed for the RT module to avail free license.

IT Technical Notes



Regulatory Compliance

Loan Loss Provisioning » Provisioning for Assets under Risk Segmentation

Temenos has released the PV.PROFILE.SEG.STD.SEC.API.HOOK, which corresponds to the *Seg Std Sec Api* field in the PV.PROFILE application. A Java or JBC API can be attached to the *Seg Std Sec Api* field.

The following parameters are sent to the JBC API from Temenos Transact:

1. APPLICATION.NAME – Holds the application name
2. CONTRACT.ID – Holds the ID of the contract
3. RISK.SEGMENT – Indicates the risk segment contract
4. SEGMENT.CLASS – Indicates the segment classification contract
5. SEGP.ROVTYPE – Indicates the type of provision done
6. RESERVED1 – Reserved input for future use

The following parameters are returned by the JBC API:

7. STANDARD.PERCENT – Indicates the standard percent that will be returned
8. SECURED.PERCENT – Indicates the Secured percent that will be returned
9. ERROR.MSG – Indicates exceptions, if any
10. RESERVED2 – Reserved output for future use

CRS Reporting » CRS Schema XML Updates

NIL report for CRS can be generated by creating a record with NIL.REPORT ID in the CRS.XML.REQUEST application.



IAS39 » IAS Purge History COB Job to Online Service

The IAS Purge History COB job purges all the IAS.CONTRACT.BALANCES.HIST records , which have crossed the period specified in IAS.PARAMETER. It is moved as an IAS.PURGE.HISTORY online service. The user has to trigger the IAS.PURGE.HISTORY service, if they want to delete the records in IAS.CONTRACT.BALANCES.HIST.