Guidelines on Core Business Solution (CBS) Features and Controls for Non-Banking Financial Institutions

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BANGLADESH BANK

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Introduction

Financial Institute in Bangladesh is the one of the core driver in economic development of the country. The focus for inclusion and aim for sustainability have advanced the industry to grow with a faster pace and in a well- structured manner. The industry has undergone with many changes on providing the services to their customers. Most of the FI have adopted automated business environment for faster services, better control in operations to facilitate services at door-steps. Core Business Solution (CBS) is playing a vital role for this technology driven FI services. Today the role of CBS is not just as a processing engine, it is the key repository of information to further analyze and detect risks. A standard and flexible CBS is a significant contributor to a FI's ability to respond quickly to the diversified business including compliances with changing regulations.

Apart from the CBS, FIs are using different important solutions for different business portfolios like Finance, Asset Liability Management, Anti-Money Laundering etc. Though these business operations may be done by using separate solutions, the reporting to stakeholders and regulators is done in a consolidated manner. There are many FIs have already implemented CBS and the rests are on the way of implementation. Different FIs of Bangladesh are using different outsourced or self-developed CBS. For the variations in development architecture, support service, modality and flexibility in these systems, stakeholders are facing challenges to collect necessary and intended information at right time. This necessitates a uniform set of instructions that should be accommodated as minimum requirement in any CBS.

This document is developed in a collaborative approach to guide the Financial Institute in Bangladesh for maintaining minimum required features and controls in their CBS and other related business solutions so that the FIs can comply with most of the stakeholders' requirements. The document covers necessary features and controls of business services like General Business, Deposits, Loans/Credit/Investment, Treasury, System Administration and Reporting. Each FI has its own way of management reporting and regulators also have their different query and reporting requirements which are changing over time, as such fixed reporting formats and demands could not be stated in the Reporting module. It is expected that the reporting tools used in the business system shall be capable and flexible enough to generate new format of reports as required. Bangladesh Bank reserves the right to amend/review this document as and when necessary.

1. Module: General Business

1.1 FI and Branch Setup

Sl. No.	Item	Description
1.1.1	Initial Parameter Setup	i. Ability to setup various number formats, i.e. Service Outlet/ Branch (SOL) Number format, Customer Information file Number ID) Format, Internal Account (Office Account) Number Format, Customer Account Number Format, addition of check digit to omit mistakes. ii. Account Number length shall be at least 13 digits. If the account length exceeds 13 digits it should be mapped to 13 digits (Length may change as per regulatory requirement). iii. Ability to setup configurable Chart of Accounts [shall have tree format]. iv. Ability to setup configurable Products. v. Ability to set up configurable customer segment. vi. Ability to setup Static Code/Reference Codes. vii. Ability to configure back dated interest rate with amount slab, term with prior approval from management.
1.1.2	Configuration Management and System Architecture	i. Capability to setup all services like interest/profit calculation and applying process EMI service, charging services (periodic and adhoc) etc. ii. Configuration management shall have role based option to add/ activate/deactivate/view of any functionality. iii. Ability to ease Branch setup. iv. Ability to branch wise open/close maintenance of branch operations. v. Deployable in 365*24*7 mode for delivery channels. vi. Interoperable to talk to the external (3rd party) system using standard protocols like ISO 8583 or web services. System shall have service oriented architecture. vii. Shall have well thought and architected security framework. viii. Ability to interface with general required third-party applications. ix. System setup architecture shall be scalable. x. System shall have single sign on mechanism to access any module of CBS. xi. System shall have role based User Management xii. Calendar configuration facility shall have holiday information. xiii. System shall have data archiving and housekeeping facility. xiv. System should have the ability to manage holidays during EMI calculation schedule. xv. Ability to setup Hub and Spoke

1.2   End of day/Beginning of day/Month End/Year End Operation

Sl. No.	Item	Description
1.2.1	Initial Configuration	i. Batch Job Creation and Scheduling. ii. EOD/BOD parallelization configuration facility. iii. Load balancing in parallel job. iv. Ability to every-step EOD execution logs generation. v. Log creation configuration facility. vi. Usage of standard messaging format. vii. Ability to Centralize EOD/BOD with branch wise options. viii. System shall initiate SMS and email notification to customer for TDR/MTDR account opening, renewal, interest/profit payment and encashment.
1.2.2	Book Closure Activity	i. Daily interest /profit accrual/daily interest /profit provisioning/ monthly interest /profit provisioning, monthly/quarterly/half-yearly interest /profit payment and collection or profit/loss sharing, interest /profit adjustment facility and annual transfer of profit and loss and initializing the values for the current year, on maturity proceed to be transferred/made inoperative with payable deposit awaiting disposal. ii. Besides, system shall be smart enough to collect charges and disburse interest /profit on calendar dates. This calendar dates may be monthly, quarterly, half-yearly or yearly. iii. Transfer amount from income & expenditure GL heads to retained earnings account through voucher formation as part of year end process. System shall produce audit trail report. iv. The year-end/half year-end process shall be as simple as the day close with certain charge computation at the year-end/half year-end. In fact, all processes shall be parameterized setting with frequency (Daily/Monthly/Quarterly/Half-Yearly/Yearly etc.). v. There shall be options so that the system can flag the inoperative/unclaimed deposit accounts for necessary actions.

1.3 General Ledger

Sl. No.	Item	Description
1.3.1	Chart of Accounts	i. System shall provide a complete and comprehensive bank definable chart of accounts aligned with Bank Company Act/IAS/IFRS/BAS which covers all types of Assets, Liabilities, Income, Expenses, Contingent and Memo, Provision, Profit/Loss, Sundry/Suspense, Inter-branch Reconciliation accounts. The chart of account shall be identifiable in terms of head office transaction, individual branch transaction, transaction for subsidiaries and corporate house/centralized trade house transaction. System shall have capacity to put restriction on particular branch(es) or all. To ensure that FIs are advised to take more layers for chart of accounts on granular basis.
1.3.2	Accounting Rules Setup	i. System shall be able to setup accounting rules in different business modules based on product type, customer type and business event type. ii. System shall be able to freeze/limit account-wise transaction (Debit/Credit) setup, online transaction option, system generated or both system & manual transaction option. Transaction shall be allowed from any branch. iii. System shall be able to define different fees/charges, interest /profit rate setup at product level.
1.3.3	Back Value Entry	i. System shall be able to allow back dated/value dated transactions both in customer and financial general ledgers/accounts, and there shall be restrictions on these dates. ii. System shall be able to adjust the interest /profit and charges issues for back dated entries in customer accounts. iii. System shall have high supervision methodology (e.g. EOD report verified by independent person) for any type of back value entry process. Shall be able to accommodate historical archive for those entries. iv. Dual control (maker/checker) shall be required to make any back value entry. Approved Delegation of Authority (DOA) shall particularly mention the control authorities.
1.3.4	Self Balance for Manual General Ledger Entries	i. System shall be able to perform self-balancing check to ensure that the debit and credit totals tally for manually entered general ledger batch entries.
1.3.5	Reversal Accounting Entries	i. System shall be able to auto-generate the reversal entries once the original transaction is being reversed. It shall exclude those reversals during data analysis and MIS and there shall be audit trail for all reversals. ii. System shall reverse all related entries (charges and commission, VAT, etc.) too with back value dated options. iii. System shall have ability to identify all reversal entries.

1.3.6	Interest /profit Accruals and Suspense Entries	i.	System shall ensure that the entries for interest /profit accruals generated from business module automatically will be posted to the respective interest accrual General Ledger accounts as per product /Cost Center and Profit Center/Branch/Division.
		ii.	System shall be able to provide account-wise interest /profit calculation details for any period of time.
1.3.7	Layer	i.	System shall have ability to handle the business center concept with multiple layers, e.g.- HO>Division>Region>Cluster>Branch>etc.
		ii.	System shall be able to analyze profitability in all layers. Separate trial balance, profit and loss account, balance sheet shall be generated for all layers and subsidiaries.
		iii.	System shall comply with all accounting/general ledger entries, reports, modules with the cost center and profit center concept.
1.3.8	Transaction Authorization to General Ledger	i.	System shall capture unique transaction reference number, the client code, the branch code, the general ledger account number, transaction date, value date, currency, input user ID, workstation ID and batch number at a transaction level to be authorized to the general ledger.
		ii.	System shall be able to store transaction audit log including maker/checker with time-stamp.
1.3.9	Restrictions for Entry Generation and View	i.	System shall be able to restrict any user/class/group for entry generation, authorization, view, report generation, etc. These restriction-parameters shall be user defined.
		ii.	System shall have capability to setup user-wise, product-wise and currency-wise detail transaction limit including entry/verify, debit/credit, cash/clearing/transfer, same branch/online branch as per delegation of authority.
1.3.10	Edit/Delete of Voucher	i.	System shall be able to restrict edit/delete after authorization of any voucher.
		ii.	System shall have option to reject any transaction during authorization.
1.3.11	Balance Restriction/Prompt/ Reminder Option	i.	System shall raise an override flag at the time of entry generation of the transaction when balance mismatch is occurred and do not allow to close the batch without balancing.
		ii.	System shall not allow any transaction without matching contra balance.
1.3.12	Auto Provision for Expenses	i.	System shall make cost center/profit center/branch-wise automatic provision for expenses as per user defined rules (fixed/floating/average/percentage).
		ii.	System shall be able to adjust the provision (fully or partially) as per user defined (fixed, percentage, minimum, maximum) format (cost center/profit center/branch).
1.3.13	Day Close with Unauthorized Voucher	i.	System shall not close the day with unauthorized voucher. ii. This day closing shall be checked branch-wise. If EOD runs centrally, it shall be taken care of by central team.
		iii.	System shall provide a branch-wise report for unauthorized or deleted vouchers.

Sl. No.	Item	Description
1.3.14	VAT & TAX and Other Charges Compliant	i. System shall be flexible/capable enough to parameterize the local Tax, VAT and other charges (source tax, excise duties, withholding tax, service charges etc.) rules. ii. This shall be configurable.
1.3.15	Integration with Other Software/Modules	i. System shall integrate the general ledger with all the transactional modules of other business systems as per cost center/profit center/branch concepts.
1.3.16	Maker-Checker Functionality	i. System shall support maker-checker functionality on real time basis for allowing entry, verification, editing, committing, post commit verification and audit by different users based on Account type, Product type, Transaction type.
1.3.17	Authorization	i. System shall support multiple levels/parallel levels of authorization (based on a predefined number as per delegation of authority).

1.4   Customer Profile

Sl. No.	Item	Description
1.4.1	Unique Identification	i. System shall maintain unique Customer ID to open any relationship with FI for a customer. ii. Customer may have multiple products in a bank but he/she shall have one unique ID/customer ID. iii. System shall have option to create a group ID linking with multiple customers IDs. iv. System shall have different types of searching option to identify unique customer. v. System shall not allow the creation of duplicate customer vi. If duplicate customer is created then merging facility shall be implemented to merge.
1.4.2	Sanctioned Screening (May be done by separate software)	i. During creation of customer profile, built-in sanction screening system shall scan the customer information automatically and based on scanning result, it may allow creating the customer ID or waiting for decision. ii. Bank which has separate system to check sanctioning shall have proper audit trail and approval before opening relationship. iii. The system shall have option for AML Escalation screening as per AML matrix of the FI.

1.4.3	Capture Information (as per Bangladesh Bank KYC A/C Opening Form at least)	i. System shall store Income Source, Address Details, Currency Details, Nominee Details, Signatory Details, NRB Details, Professional Details, Transaction Profile (TP), Personal Details, predefined Customer Occupation, and Legal Guardians' Information for minors.
		ii. Information given by prospective account holder shall be verified with the concerned authority (NID,TIN/, VAT, Passport, Birth Registration Number authorities).
		iii. System shall support identification of certain constitution in multiple level such as:
		For partnership accounts: Registered/Unregistered
		For Societies/clubs: Incorporated/Unincorporated
		For Trusts: Private/Public and Registered/Unregistered
		iv. System shall facilitate to identify customers on various classes such as:
		Primary account holder, Joint account holder, Proprietor, Partner, Secretary, Director, Manager, Power of Attorney holder, Nominee, Minor, Guarantor.
		v. System shall be able to establish relationship between Multiple CIF with different business segments, i.e. corporate with retail, retail with VIP, corporate with treasury.
		vi. System shall have ability to incorporate free-form text notices to customer records.
		vii. System shall facilitate to identify customers on various liability classes not limited to Borrower Guarantor Co-obligate.
		viii. System shall facilitate to search customer based on occupation.
		ix. Compulsory fields and optional fields shall be marked, without inserting the compulsory values the system shall not complete the particular procedures.

1.4.4	Mandatory Information for GoAML (If the information is covered in the Capture Information section, this section may be ignored)	**For Bearer:**
		  i. Name of Bearer
		  ii. NID/Passport/Birth Registration No.
		  iii. Address of Bearer
		  iv. Mobile/Land Phone No.
		For Individuals:
		  i. NID/Passport/Birth Registration No.
		  ii. Address
		  iii. Mobile/Land Phone No.
		  iv. Date of Birth
		  v. Gender
		  vi. Father/Mother/Spouse Name
		  vii. Details Occupation
		  viii. Source of Wealth/Source of Income
		For Corporate:
		  i. Incorporation No./Trade License No.
		  ii. e-TIN number
		  iii. Business Address
		  iv. Mobile/Land Phone No.
		Director of Corporate:
		  i. Occupation
		  ii. Role of Director
		  iii. NID/Passport/Birth Registration No.
		  iv. Address
		  v. Mobile/Land Phone No.
		  vi. Date of Birth
		  vii. Gender
		  vii. Father/Mother/Spouse Name
		  ix. Details of Occupation
		  x. Source of Wealth/Source of Income

1.4.5	e-TIN (optional)	i. System may validate insertion of e-TIN to disallow same e-TIN against different customer IDs, i.e. system will allow an e-TIN for only one customer ID.
1.4.6	NID Verification (May be done by separate software)	i. During creation of customer profile, built-in validation system (aligned with the system of EC) shall bring information of customer from EC and if matched, user may create customer profile in system.
1.4.7	Signature/Photograph	i. System shall have ability to capture of signatures/thumb imprints/bio metric stamp and photographs wherever required. ii. System shall store signatures in encrypted format. iii. In case of more than one signatory (joint accounts and company accounts), system shall capture signatory-wise signatures/thumb imprints/bio metric stamp and photographs and shall make those viewable at the time of transaction. iv. System shall retrieve and view signatures of any customer in any branch with mode of operation and name/designation of the signatory [that view shall be account number-wise instead of customer IDs]. v. System shall support storing of scanned signatures in compressed format. vi. System shall support to view signature history.

| 1.4.8 | Nomination | i. | System shall have ability to nominate more than one person in an account with minor option. |
| 1.4.9 | File Upload Facility | i. | File upload facility may be introduced to create mass customer IDs for corporate houses. |

1.5   Reconciliation and Settlement

Sl. No.	Item	Description
1.5.1	Inter Branch/Inter Office	i. System shall provide a complete auto reconciliation of all inter branch/inter-office /SMS /Internet/Call Centre/RTGS/BEFTN/MFS ii. System shall provide reports for all unmatched items as per inter branch/interoffice/cost center/profit center/ with aging analysis and shall have export facility to Excel/PDF/RTF/DOC/Access. iii. The reconciliation shall be defined and there shall be options for daily reconciliation. iv. The system shall be able to send the statement of un-reconciled entries to the respective branches/offices.

1.6   Clearing

Sl. No.	Item	Description
1.6.1	General	i. System shall support following categories of clearing (direct or via bank) and not limited to MICR and Non-MICR ii. System shall support following categories of clearing channel like RTGS iii. System shall handle clearing operation of more than one clearinghouse in an area if required. iv. System shall have ability to maintain of a master list of FIs with their branches participating in the clearing along with MICR code, FI code, financial ID, etc. v. System shall process single or batch of Inward and Outward instruments. vi. System shall have ability to maintain of a master list of FIs with their branches participating in the clearing along with financial ID of RTGS system. vii. System shall support immediate fund availability after clearing settlement. viii. System shall support to hold clearing house due to any unavoidable situations.

1.6.2	Outward Clearing via Bank(s)	i.	System shall capture details of multiple instruments of same or different banks/branches for outward clearing for credit to a single account in a single batch.
		ii.	System shall have ability to allow/disallow withdrawal from an account based on status of the instruments presented in the clearing with multi-level approval.
		iii.	System shall have ability to use external utilities such as and not limited to Scanner, MICR Reader, and Sorting Machine.
		iv.	System shall have ability to upload clearing data online or from files in a specified format from other branches/customers.
		v.	System shall have ability to mark returned instruments and to collect charges from the related account automatically based on parameterized values and to capture reasons for return.
		vi.	System shall have ability to enter clearing instruments for future clearing dates with facility to capture entry date, clearing date and realization date.
		vii.	System shall set realization date for a clearing based on category of clearing - Clearing session, Number of days.
1.6.3	Inward Clearing via Bank(s)	i.	System shall support Electronic Clearing Services to debit/credit customers' accounts.
		ii.	System shall have ability to enter data inward items to customer accounts based on the data received from clearinghouse manually, upload data from a specified file formats, or input the data generated by the MICR reader at the service branch.
		iii.	System shall have ability to generate and print advice (return memo) for return instruments with the following details among others- - Reason of return - Instrument details - Bank/branch details - Charges
		iv.	System shall have ability to pay of dividend warrants/interest warrants/refund warrants presented through clearing. System shall be able to show both inward and outward clearing cheque details at account level including cheque amount, date, status etc.
		v.	System shall have ability to generate partial instrument-wise /module-wise/product-wise batch.
		vi.	System shall have capability to segregate cheques in instrument wise and value wise, so user can perform verification as per their delegation of authority with dual control.

1.6.4	**BEFTN** (Instruction Base) via Bank(s)	i.	Credit Instruction: System shall process the Credit EFT instruction to the client account of other bank through BEFTN channel by debiting the local client account (who will give instruction). System of responding bank shall be able to receive the instruction and credit the same to designated client account. If Bank/Branch/Account No. does not match, system of responding bank shall process the return.
		ii.	Debit Instruction: System shall process the outgoing Debit EFT instruction of originating bank, response of incoming EFT debit instruction of responding bank by debiting the respective account and crediting the account of originating bank. If Bank/Branch/Account No. does not match, system of responding bank shall process the return. Authorization of account debit through BEFTN shall be taken from the customer "by the originator" which account will be debited through EFT Debit Instruction.
1.6.5	RTGS	i.	System shall be able to handle incoming and outgoing RTGS operations for (i) client and (ii) financial institute to financial institute like Government Securities including Islami Bond Transactions, Money Market Transactions etc.
		ii.	System shall be capable to process the transactions in both Local Currency and
		iii.	System shall have the facility to avail Intraday Liquidity Facility (ILF) in the form of intraday REPO transaction mechanism against Bangladesh Government Treasury Bonds (BGTB), Treasury Bills and Bangladesh Bank Bills during the operational hours of RTGS and settle the same on daily basis. Transactional process shall be integrated with the CBS.
1.6.6	Demand Draft/Pay Order (DD/PO) via Bank(s)	i.	System shall support operations like issue, payment, refund and cancellation, issue of duplicate, etc. in Branches.
		ii.	System shall support maintenance of stock and operation of PO/DD instruments.
		iii.	System shall support DD/PO having pre-printed identification numbers in numeric as well numeric with alpha prefix.
		iv.	System shall allow realization of charges along with applicable VAT and Tax.
		v.	System shall calculate the PO amount and Charge amount and deduct the same from source account separately at the time of transaction.
		vi.	System shall store Name, Photo ID No., NID No. of the sender and/or receiver and reason of transaction for walk-in customer in case of transaction above a certain limit e.g. BDT 5000. System shall ensure UNSCR &Local Sanction Screening
1.6.7	Cheque	i.	System shall support maintenance of stock/inventory of client instruments (PDC,UDC)

1.7   Account Transaction

Sl. No.	Item	Description
1.7.1	Other Bank Cheque Deposit for Clearing	i. System shall comply with all Bangladesh Bank defined procedures.
1.7.2	Account Transfers	i. System shall perform internally maintaining same currency. ii. System shall show restrictions/risk in account level during transaction performing. iii. System shall check fund availability during transaction approval. iv. System shall update customer balance status immediately. v. System shall not allow transaction if reject marker (court order/freeze order) attached in the account.
1.7.3	Account Closing	i. System shall have ability to mark accounts as closed without deletion from system. ii. System shall produce sufficient audit log. iii. System shall not allow any A/C closing if it is linked with other existing live account(s). iv. System shall not allow any A/C closing if it has unapplied interest in provision field.
1.7.4	Automated Settlement and Clearing Functions	i. System shall match all inter- and intra-bank journal entries automatically according to dual-entry accounting standards.
1.7.5	Blocking Options	i. System shall be flexible to associate pledging, earmarking, fraud detecting and collecting with any account or sub-account with sufficient reason and audit log details. ii. System shall have functionality to realize block amount while fund is available.
1.7.6	Stop Payment via Bank	i. System shall have ability to reconcile pending stop-paymentrequests including insert, amend, inquiry and delete with account status (e.g. no stop-payment requests for closed accounts) in addition to standard functionality.
1.7.7	Back/Forward Value Date Validation	i. System shall have ability to validate the back value and ensure the correct date.
1.7.8	Limit Expiration	i. System shall have option to make automatic expiration of corporate limits.
1.7.9	Dormancy Rules	i. System shall have ability to set rules for dormant account (manually or automatically). ii. System shall place rules to automatically set account dormant or restrict action if rules are not met. iii. System shall generate letters notifying the dormant accountholders about the dormancy state of their accounts. iv. Shall have ability to restrict signature card showing. v. Shall have ability to disallow different transactions as per parameter setup.

Sl. No.	Item	Description
1.7.10	File upload facility	i. File upload facility is required for bulk uploading of transactions, e.g. salary, dividends, refund warrants etc.
1.7.11	Alert	i. Credit Transaction alert based on a threshold value ii. Debit Transaction alert based on a threshold value iii. Periodic alert (Monthly/Quarterly/Half-Yearly/Yearly based on FI's policy (product wise separate period).

1.8   Standing Instructions

Sl. No.	Item	Description
1.8.1	Automatic Sweep/Standing Instruction Facilities	i. System shall be able to transfer of fund from one to many, many to one, many to many and one to one based on clients instruction (maintaining minimum Balance/Fixed Amount) or tenure-wise. ii. Sweep transactions may be both push and pull (i.e. sweep-in and sweep-out) iii. Frequency of sweep / SI shall be daily/weekly/fortnightly/ monthly/set date or in transaction event based.
1.8.2	Template for Payment Processing	i. System shall allow user to define template for incoming and outgoing payment processing. The template shall include credit and debit payment instruction.
1.8.3	Charges Details	i. System shall have separate screen for charge realization for each account with parameter setting option at product level, account level.
1.8.4	Product to Product Transfer Facilities	i. System shall be capable of providing client a new account under the same product category, i.e. Std to Std, CA to CA etc. If customer requires opening a new account under same product the account number shall be different.
1.8.5	Volume based Customer Segmentation	i. System shall support volume based customer segmentation to identify class of customer and provide variable interest /profit or charges based on the daily balance.
1.8.6	Flexible Interest /profit Payable Period	i. System shall link interest/profit payable to other deposit accounts.

Sl. No.	Item	Description
1.8.8	Nationwide Collection	i. System shall have the option to view the list of instruments and/or cash that have been processed nationwide. Any transaction nationwide shall immediately update customer account and funds can be withdrawn from any branch.
1.8.9	Payment Transfer Service	i. System shall be able to track the list of payments in various modes (Cash/TT/PO/DD etc.) which are made as per clients' instruction for the purpose of fees calculation.
1.8.7	Customer Status Inquiry	i. System shall be flexible to group and analyze accounts according to status. It may be included in report module.

2. Module: Deposits

2.1 General Characteristics

Sl. No.	Item	Description
2.1.1	Customer Eligibility	i. Autonomous ii. Club/Society/Association iii. Employee-Others iv. Government Account v. Individual vi. Joint Account vii. Liquidator's Account viii. Local Authority ix. Non-Govt. Organization x. Non-Profit Organization xi. Other Public Bank Account xii. Partnership Company xiii. Private Bank Account xiv. Private Company xv. Private Ltd. Company xvi. Proprietary Company xvii. Public Ltd. Company xviii. Semi-Autonomous xix. Staff xx. Trustee Account xxi. Minor Account xxii. Non-Resident xxiii. Any type of customer as per law of land. For example, a foreign contractor is not allowed to open an interest /profit bearing deposit account.

2.1.2	Account Opening Procedure	i. System shall store customer's:
		  a. Photograph
		  b. Specimen Signature
		  c. Copy of NID and/or other Specific papers/documents on the basis of the type of the customer
		  d. Contact phone/mobile no. with contact person details, especially for corporate customer
		  e. Email-id if available
		  f. UNSCR & Local Sanction Screening.

2.1.3	Master File Information	i. KYC compliance

2.1.4	Introducer	i. System shall ensure:
		  a. Introducer Information
		  b. UNSCR & Local Sanction Screening for introducer.

2.1.5	Joint Account Concept	i. System shall allow this option for individuals only and
		  a. Operate as per instruction: Joint/Any/All
		  b. Pay to either or survivor
		  c. Ensure joint account holder(s) is/are not listed in UNSCR & local sanction.

2.1.6	Nominee Inclusion	i. System shall allow this option for individuals only and ensure nominee is not listed in UNSCR & local sanction.

2.1.7	Operation by Power of Attorney Holder	i.	System shall allow this option and ensure PA holder is not listed in UNSCR & local sanction.
2.1.8	Account No. Format	i.	System must ensure that account number is 13 digits or mapped to 13 digits as per Bangladesh Bank Format.
2.1.9	Deposit Procedure, Transaction Nature, Restrictions	i.	Random by the depositor.
2.1.10	Withdrawal Procedure	i.	System shall ensure withdrawal: a. By cheques supplied by the bank. b. By letter of authority with verification, e.g. assurance of confirmation needed. c. Debit by FI through voucher/withdrawal slip with verification, e.g. assurance of confirmation needed. d. Through alternate delivery channels which are approved by Bangladesh Bank. e. If Bearer/Beneficiary is not listed in UNSCR & local sanction.
2.1.11	Return of Cheques	i. ii. iii. iv.	System shall record returned cheques in Cheque Return Register. System shall be able to provide details of cheque return specially reason of return. System shall be able to recover charges for dishonor of cheque for insufficient fund. System shall be able to recover any type of penalty for return of cheque for insufficient fund.
2.1.12	Stop payment	i. ii. iii.	System shall maintain Stopped Cheque Register with instruction letters inserting time & date. System shall have facility to store/view stop payment of Cheque Audit Log. System shall be able to realize Charge for stop payment.
2.1.13	Standing Instruction	i. ii. iii. iv.	System shall maintain Standing Instruction Register. System shall be able to generate transactions through standing instruction with date, amount, and source from/to account, amount etc. System shall hold the amount of instruction in case of insufficient balance in Payee/Source account and automatically shall transact and release the hold amount when fund becomes available. System shall ensure beneficiary is not listed in UNSCR & local sanction.

2.1.14	Restraints	i. System shall be able to prevent all transactions with suitable kind of restraint. ii. System shall have ability to restrain customer [restrain all accounts under one customer ID]. iii. System shall have ability to restrain products (all customers under one product). iv. System shall have ability to restrain account. v. System shall have ability to restrain debit transactions. vi. System shall have ability to restrain credit transactions. vii. System shall have ability to restrain cash transaction, cheque transaction, ATM transaction and so on for a particular account, customer and/or product. viii. System shall have ability to block amount with expiry date and multiple blocking options. ix. System shall have capability to block any amount irrespective of the available balance of the account. x. System shall have ability to provide reason details and reason category for Freeze/Dormant/Lien so that MIS can be generated.
2.1.15	Signature and Photograph	i. System shall obtain signature and photograph of each account holder in signature card. ii. System shall store signature and photograph of each account holder in the central database. iii. System shall store specimen signature and photograph in the central database or in the signature card.
2.1.16	Account Statement	i. System shall be able to generate account statement on demand. Charge can be levied for generating such ad-hoc statements. ii. System shall have bulk account statement generation process without any fee for period statement especially on half-yearly/yearly basis commonly for all customers. iii. System shall be able to generate balance confirmation letter on demand. iv. System might able to generate MT940/MT942/MT950/ /MT900/MT910 for the enrolled customers.
2.1.17	Minimum Balance	i. In accordance with the FI's internal policy system may or may not restrict the customer to draw fund without keeping minimum balance but may generate a report for FI's internal purpose.
2.1.18	Source Tax, Excise Duty, Incidental/ Account Maintenance Fee and Closing Charge	i. System shall be able to configure source tax and excise duty as per the guidelines of NBR. ii. System shall collect source tax for interest /profit earned at the time of interest /profit payment. iii. System shall collect excise duty (charges) on yearly basis as per instructions of concerned authority. iv. System shall collect account maintenance fee and closing charge from the account (except term deposit account) as per the guideline of Bangladesh Bank. v. System shall have ability to parameterize/configure all charges. vi. System shall have hovering option to deduct charges.

2.1.19	Dormant Account	i. System shall mark accounts as dormant as per Bangladesh Bank rule. Bangladesh Bank may provide a common definition for all FIs.
		ii. System shall have feature to apply (as per Bangladesh Bank guideline) dormancy on any account if there is no customer made transaction for the defined period. For dormant accounts, only credit postings may be allowed.
		iii. System shall bring first deposit/withdrawal to the notice of Branch Manager for permission.
		iv. System shall normalize accounts before allowing any transaction.
		v. System shall have ability to accrue and capitalize interest /profit as like as normal account.
		vi. System shall have ability to levy annual charges on this account same as normal account.
		vii. This shall be parameterized/ configurable.
		viii. Credit may be allowed without changing account status. No debit transaction shall be allowed.
		ix. Shall generate dormant marking /unmarking register.
2.1.20	Inoperative Account	i. System shall mark accounts inoperative as per Bangladesh Bank guideline.
		ii. System shall automatically mark accounts on daily basis.
		iii. System shall brought first deposit/withdrawal to the notice of Branch Manager for permission.
		iv. System shall transfer balance to Bangladesh Bank in case if the account is inoperative for 10 years. However, shall serve 3 (three) notices during this 10-year period. System shall be able to prepare a report for such accounts with ageing.
		v. System shall mark account as deceased in case of the death of the customer. System shall not debit any charge from this account and only allow credit postings. System shall have audit log with maker/checker, date, reason etc. for such operations.
		vi. This shall be parameterized/configurable.
2.1.21	Monthly Provision for Accrued Interest	i. System shall keep monthly provision for accrued interest /profit (at a given frequency based on product type).
2.1.22	Duplicate Statement	i. System shall have ability to charge for issuance of duplicate statement.

2.2   Term Deposit Receipt (TDR)

Sl. No.	Item	Description
2.2.1	Withdrawal	i. System shall pay on maturity or premature encashment.
2.2.2	Interest Withdrawal	i. System shall allow option to withdraw the accrued interest/profit retaining the principal amount on or after maturity. ii. Shall have interest auto transfer option to operative A/C on maturity if customer requests. iii. System shall have option to withdraw interest upfront at time of opening TD & Renewal on product basis.
2.2.3	Premature Encashment	i. System shall have the option to configure if it changes by FI/regulatory authority. ii. System shall have the option to premature encashment penalty/charges iii. System shall have the option to configure slab for premature encashment
2.2.4	Renewal Procedure	i. System shall be capable to allow renewal on maturity if desired by the depositor. ii. System shall obtain instruction from the customer at the time of issuing of TDR whether to be renewed for the same period at the prevailing rate. iii. System shall not allow renewal after the death of the depositor. iv. System shall be capable to allow Principal only or Principal with Interest renewal
2.2.5	Auto Renewal	i. In absence of any instruction from the depositor, system shall treat the TDR as renewed after maturity for the same period of the said TDR at a prevailing rate of the same period and will continue unless any instruction received from the customers. ii. Shall have facility of auto closure option at maturity and proceed the maturity amount to operative account as mentioned by the customer at the time of account opening iii. This option shall be configurable at product level. iv. System shall be able to auto collect due excise duty at the time of auto renewal or at the time of interest/profit payment. v. System shall be able to auto collect insurance premium at the time of account opening and auto renewal for insurance tied up TDR accounts.
2.2.6	Overdue TDR	i. System shall treat all TDRs as auto renewed unless other instructions are received from customers. ii. System shall make continuous profit accrual.
2.2.7	Interest Rate	i. System shall implement different period and slab-wise interest rate. ii. System shall change interest rate from time to time with effective date on the renewal date of the deal and as per the agreement with the Client. iii. Generally Interest rate shall not change during its current tenor. iv. System shall allow account-wise separate interest rate.

2.2.8	Interest Calculation	i. System shall calculate interest on Daily Product Basis ii. System shall calculate interest as per Bangladesh Bank Guideline.
2.2.9	Interest Application	i. System shall apply interest on maturity date. ii. System shall apply interest periodically on the basis of the product.
2.2.10	Interest Compounding	i. System shall apply simple interest rate. ii. In case of auto renewal, interest shall be capitalized.
2.2.11	Monthly Provision for Accrued Interest	i. System shall made monthly provision for accrued interest.
2.2.12	Transfer of Account	i. System shall not allow transfer of TDR accounts.
2.2.13	Lien	i. Shall allow loan against an TDR after marking that TDR as lien and TDR may be marked lien against multiple loans. Multiple TDRs might be marked as lien against a single loan
2.2.14	Term Deposit (TD) Advice	i. System shall have ability to generate TD advice as format decided by the FI. The advice shall be printed directly or create pdf file. ii. System shall control sequence of printing/generation of TD advice. iii. If more than one advice is generated for a particular TD, system shall mention/mark it as duplicate. iv. System shall support to issue electronic instrument/advice
2.2.15	Loan Facility	i. System shall be able to provide loan facility as per FI's rule.
2.2.16	Customer Communication	i. System shall initiate SMS and email notification to customer for TDR account opening, renewal, interest payment and

2.3 Mudaraba Term Deposit Receipt (MTDR)

Sl. No.	Item	Description
2.3.1	Withdrawal	i. System shall pay on maturity or premature encashment.
2.3.2	Profit Withdrawal	i. System shall allow option to withdraw the accrued profit retaining the principal amount on or after maturity. ii. Shall have profit auto transfer option to operative A/C on maturity if customer requests.
2.3.3	Premature Encashment	i. System shall have the option to configure if it changes by FI/regulatory authority. ii. System shall have the option to premature encashment penalty/charges iii. System shall have the option to configure slab for premature encashment
2.3.4	Renewal Procedure	i. System shall be capable to allow renewal on maturity if desired by the depositor. ii. System shall obtain instruction from the customer at the time of issuing of MTDR whether to be renewed for the same period at the prevailing rate. iii. System shall not allow renewal after the death of the depositor. iv. System shall be capable to allow Principal only or Principal with Profit renewal

2.3.5	Auto Renewal	i. In absence of any instruction from the depositor, system shall treat the MTDR as renewed after maturity for the same period of the said MTDR at a prevailing rate of the same period and will continue unless any instruction received from the customers. ii. Shall have facility of auto closure option at maturity and proceed the maturity amount to operative account as mentioned by the customer at the time of account opening iii. This option shall be configurable at product level. iv. System shall be able to auto collect due excise duty at the time of auto renewal or at the time of profit payment. v. System shall be able to auto collect insurance premium at the time of account opening and auto renewal for insurance tied up MTDR accounts.
2.3.6	Overdue MTDR	i. System shall treat all MTDRs as auto renewed unless other instructions are received from customers. ii. System shall make continuous profit accrual.
2.3.7	Profit Rate	i. System shall implement different period and slab-wise profit rate. ii. System shall change profit rate from time to time with effective date on the renewal date of the deal and as per the agreement with the Client. iii. Generally Profit rate shall not change during its current tenor. iv. System shall allow account-wise separate profit rate.
2.3.8	Profit Calculation	i. System shall calculate Profit on Daily Product Basis as per Bangladesh bank Guidelines.
2.3.9	Profit Application	i. System shall apply Profit on maturity date. ii. System shall apply Profit periodically on the basis of the product.
2.3.10	Profit Compounding	i. System shall apply simple Profit rate. ii. In case of auto renewal, Profit shall be capitalized.
2.3.11	Monthly Provision for Accrued Profit	i. System shall made monthly provision for accrued Profit.
2.3.12	Transfer of Account	i. System shall not allow transfer of MTDR accounts.
2.3.13	Lien	i. Shall allow loan against an MTDR after marking that MTDR as lien and MTDR may be marked lien against multiple investment. Multiple MTDRs might be marked as lien against a single investment.
2.3.14	Mudaraba Term Deposit (MTDR) Advice	i. System shall have ability to generate MTDR advice as format decided by the FI. The advice shall be printed directly or create pdf file. ii. System shall control sequence of printing/generation of MTD advice. iii. If more than one advice is generated for a particular MTD, system shall mention/mark it as duplicate. iv. System shall support to issue electronic instrument/advice
2.3.15	Quard/Withdrawal Facility (Sahabul Fulus)	i. System shall allow quard/withdrawal facility against MTDR without encashment. System shall accrue the profit as per daily balance/netting balance.

2.3.16	Customer Communication	i. System shall initiate SMS and email notification to customer for MTDR account opening, renewal, profit payment and encashment.
2.3.17	Weightage for all types of mudaraba depositors	i. system shall be able to calculate and distribute weightage average profit either in the following ways: a. Extended /enhance profit b. Profit Sharing Ratio (PSR)

2.4   Monthly/Quarterly/Other term Profit Based Term Deposit (TDR/MTDR)

Sl. No.	Item	Description
2.4.1	Term/Period	i. 1 year, 3 years, 5 years or as per the FI definition. ii. System shall have capability to parameterize.
2.4.2	Interest/Profit Rate	i. System shall change interest/Profit rate from time to time with effective date.
2.4.3	Principal Withdrawal	i. System shall allow principal withdrawal on maturity or at any time as premature encashment.
2.4.4	Interest/Profit Withdrawal	i. System shall transfer on monthly/quarterly/any period as per FI's product feature basis to Settlement Account of the depositor or through RTGS/BEFTN/Cheque ii. System shall transfer on monthly/quarterly/any period as per FI's product feature basis to Settlement Account of the depositor through Mobile Financial Services.
2.4.5	Interest/Profit Calculation	i. System shall calculate daily product basis.
2.4.6	Interest/Profit Application	i. Monthly/Quarterly/others as per product feature.
2.4.7	Interest/Profit Compounding	i. Simple interest/Profit
2.4.8	Monthly Provision for Accrued Interest/Profit	i. System shall keep monthly provision for accrued interest/Profit.
2.4.9	Premature Encashment	i. System shall have the option to configure the premature encashment rules as per FI's own policy. Excess interest/Profit, if paid earlier, to be recovered. Shall be configurable at product level. ii. System shall have the option to configure the above as per FI's rule.

2.4.10	Transfer of Account	i. System shall not allow transfer of TDR/MTDR accounts.
2.4.11	Lien	i. Shall allow loan against an TDR/MTDR after marking that TDR/MTDR as lien and TDR/MTDR may be marked lien against multiple loans/investment. Multiple TDRs/MTDRs might be marked as lien against a single loan/investment.
2.4.12	Term Deposit (TD) Advice/ Mudaraba Term Deposit (MTD) Advice	i. System shall have ability to generate TD/MTD advice as format decided by the FI. The advice shall be printed directly or create pdf file. ii. System shall control sequence of printing/generation of TD/MTD advice. iii. If more than one advice is generated for a particular TD/MTD, system
2.4.13	Customer Communication	i. System shall initiate SMS and email notification to customer for TD/MTD account opening, renewal, interest/profit payment and encashment.

2.5 Deposit Multiplication Scheme (Double, Triple, etc.)

Sl. No.	Item	Description
2.5.1	Term/Period	i. System shall be able to change required tenor of deposits for double/triple/other schemes from time to time depending on the rate of interest/profit which varies from FI to FI. ii. System shall be able to configure at product level as per FI's policy.
2.5.2	Withdrawal Procedure	i. System shall pay on maturity or premature encashment.
2.5.3	Interest/profit Calculation	i. System shall calculate interest/profit on daily product basis. ii. System shall fix product-wise interest /profit rate.
2.5.4	Loan/Quard Facility	i. System shall be able to provide loan/Quard facility as per FI's rule.
2.5.5	Transfer of Account	i. System shall not allow transfer of TDR/MTDR accounts.
2.5.6	Auto Renewal	i. System shall not allow auto renewal facility for this type of scheme product

2.6 Mudaraba Cash Waqf Deposit

Sl. No.	Item	Description
2.6.1	Term/Period	i. System shall have open Waqf for life time and deposit amount can be at a one-time or installment basis.
2.6.2	Profit Rate	i. System shall change profit rate from time to time.
2.6.3	Withdrawal Procedure	i. System shall not allow such facility as per product definition. ii. In life time profit may draw on monthly/quarterly/ half yearly/ yearly basis and payment to the beneficiary as per clients
2.6.4	Profit Calculation	i. System shall calculate profit on daily product basis. ii. System shall fix product-wise profit rate. i. System shall keep monthly provision for accrued profit.

Sl. No.		
2.6.5	Auto Renewal	i. System shall not allow auto renewal facility for this type of scheme product

2.7 Deposit Scheme (Pension Scheme, Millionaire Scheme, Hajj Scheme, Education Scheme, Marriage Scheme, Mohor Scheme, Women Entrepreneurship Scheme etc.)

Sl. No.	Item	Description
2.7.1	Tenure	i. System shall be able to configure for any specified period.
2.7.2	Deposit Amount	i. Any amount set by the FI.
2.7.3	Deposit Date	i. System shall input on any day of the month as per FI's policy.
2.7.4	Interest /profit Rate and Type	i. System shall be able to parameterize as per FI's policy.
2.7.5	Premature Encashment	i. System shall have the option to configure as per FI's rule.
2.7.6	Scheme Amount	i. System shall calculate scheme amount based on installment size, interest/profit rate and tenor.
2.7.7	Closing Procedure	i. System shall be able to block/close account for due installments as per FI's policy.
2.7.8	Withdrawal Procedure	i. System shall have the option to configure withdrawal procedure as per scheme basis.

3. Module: Loans/Credit/Investment

3.1 Fixed Term Loan

Sl. No.	Item	Description
3.1.1	Loan Proposal Initiation	i. Application with supporting documents in favor of Business/Trade License, Audited Balance Sheet, Tax Clearance, Legal Documents, Statement of Affairs with Cash Flow Statements, CIB Clearance, Authenticity of Collaterals, Preparation of Loan Proposal as per format (check list).
3.1.2	Loan Approval Process	i. Every detail, i.e. amount, interest rate, tenure, collateral value, applicable schedule of charges, terms and conditions etc. of the Sanction Advice shall be input in the system.
3.1.3	Checking Collateral Coverage	i. Respective Collateral items shall be acceptable as per respective BB Circulars and recorded with proper valuation.
3.1.4	Loan Calculator	i. Calculates the installment amount and prepares the amortization schedule based on the given information like loan amount, interest rate, tenor etc.
3.1.5	Loan Booking	i. Books a loan in the system with all the financial information and static data for a customer and generates loan account

3.1.6	Loan Creation	i. Loans are disbursed through creation of loan identification number under Loan/Credit/Investment module. ii. Ability to store loan appraisal and initiate information (e.g. loan proposal, risk grading, credit worthiness and origination). iii. Approval number, approval amount, approval date, authority, expiry, tenor, interest rate, drawing power etc. shall be maintained in the system. iv. Sanction advice/letter, sanction amount, sanction date, borrower acceptance date, etc. shall be maintained in the system. v. Borrower shall not be listed in UNSCR & local sanction.
3.1.7	Disbursement	i. After receiving the approval from CRM, CAD shall prepare sanction advice and handover the same to the branch. Branch shall also issue a sanction letter to the client maintaining consistency with sanction advice, duly accepted by the concerned client, a copy of which shall be sent to the CAD. CAD shall reconcile the same with sanction and upload all relevant information/identification in the system. CAD shall inform the branch to make final disbursement after satisfaction. ii. Disbursements occur as per loan request as per loan approval. iii. Phase by phase disbursement may be allowed.
3.1.8	CRM Limit Checking	i. Approved CRM limit, purpose with code, and identified CL category shall be loaded in the system by CRM/CAD division. After checking the loaded limit in line of approval, CRM/CAD division shall authorize it. Disbursed loan amount shall not be exceeded the approved credit limit at any point of time. User shall check all the parameters, i.e. loan type, start date, maturity date, interest rate, fees, interest frequency, repayment schedule etc. before completion of the process.
3.1.9	Interest	i. Daily accrual (simple) against outstanding debit balance as per applied rate input & Interest charged on periodic basis or as per regulatory guideline. Principal amount, Interest amount and outstanding balance shall be shown separately as per Bangladesh Bank guidelines. ii. For Islamic Banking/Financing Term Financing, rental basis/mark-up profit is charged.
3.1.10	Arrears Processing	i. Penal interest (as per BB guideline and FI's policy as well) input in CBS system. System shall be able to calculate penal interest on the overdue interest and overdue principal separately.

3.1.11	Payment	i. The maturity date and maturity accounts shall be input while creation of the deal.
		ii. System shall be flexible to keep the deal alive even after its maturity.
		iii. System shall have flexibility to set up the sequence which may be followed as under:
		   a. Charges/Duties
		   b. Penal Interest
		   c. Overdue Interest
		   d. Interest
		   e. Principal
		   f. total outstanding
		iv. Track receivable can also be introduced in case of shortage of installment amount. As a result, whenever fund is available in source account, system shall adjust the tracked amount for installment first.
		v. System shall have feature to realize due amount from the assigned account. If there is insufficient fund then system shall create a HOLD for the unrealized amount and system shall recurrently try to realize the due amount subject to availability of fund during EOD.

3.1.12	Provisioning	i. System shall have product-wise provisioning facility.
3.1.13	Redemption	i. On demand subject to sufficient fund in the maturity account. After pay-off, system shall generate a loan pay-off confirmation.
3.1.14	Financial Data Amendment	i. Financial data like Interest rate can be amended if required.
3.1.15	Static Data Amendment	i. Static data like MIS codes can be amended in system as and when needed.
3.1.16	Repayment Processing	i. Installment based repayments are processed in the system through standing instructions set between customer account and loan account. Every month installment amounts are collected from customer and reduces the loan balances as per the schedule. ii. System shall have facility to set different types of repayment schedule like Equated Payment, Balloon Payment, Bullet Payment, Uneven Payment, etc. based on product.
3.1.17	Part Settlement	i. Part settlement is possible to reduce the debt and also reduce either the tenor or installment amount accordingly. Anytime repayment information like installment amount, no. of installments can be changed as per customer request with partial payment or without any partial payment
3.1.18	MIS Information	i. MIS information is captured in the system for the preparation of different management report.
3.1.19	Loan Enquiry	i. Loan enquiry module is used to view the status of the loans. Information like start date, amount, installment, payment etc. can be viewed.
3.1.20	Reversal	i. Any type of fees reversal is managed in this module.
3.1.21	Principal Movement/Top-Up	i. Limit increase or decrease for refinance. System shall allow phase by phase disbursement.

Sl. No.	Item	Description
3.1.22	Property Details	i. Property details like FSV, valuation date, property address are captured here for the Mortgage loans.
3.1.23	Reports	i. Various loan related reports are generated in the reports module.
3.1.24	Reprising Facility	i. Reprising of loans on given frequency.
3.1.25	Credit Administration	i. Loan limit control and documentation shall be maintained..
3.1.26	Classification	i. Considering overdue status and customer's financial condition, appropriate classification status shall be ensured for the respective facility through system. ii. System shall be able to apply classify marking, loan provisioning, transaction generation as per Bangladesh Bank guideline which can be set at product level. iii. Considering Qualitative Judgment (QJ) for non-performing loan/investment, interest provisioning and application shall be as per regulatory guidelines.
3.1.27	Rescheduling & Restructuring	i. System shall have capability to capture rescheduling and restructuring related MIS information. ii. System shall have capability to apply non-accrual interest treatment for reschedule loan.
3.1.28	early settlement	i. System shall have capability to make early settlements of finance as per Bangladesh Bank's guidelines and FI's policies. ii. System shall have the option to calculate early settlement charges (If any)

3.2 Bai-Modes (Bai-Muajjal, Bai-Murabaha, Bai-Salam, Bai-Istisna etc)

Sl. No.	Item	Description
3.2.1	Investment Proposal Initiation	i. Application with supporting documents in favor of Business/Trade License, Audited Balance Sheet, Tax Clearance, Legal Documents, FI Statement, Statement of Affairs with Cash Flow Statements, CIB Clearance, Supplier(s) Information with Price Quotation, Authenticity of Collaterals, Preparation of Investment Proposal as per format (check list).
3.2.2	Investment Approval Process	i. Every detail, i.e. amount, profit rate, sale price, tenure, collateral value, applicable schedule of charges, payment process (supplier(s)/buying agent), terms and conditions etc. of the Sanction Advice shall be input in the system.

3.2.3	Checking Collateral Coverage	i. Respective Collateral items shall be acceptable as per respective BB Circulars and recorded with proper valuation.
		a. Respective Collateral eg. Payment assignment form buyers, personal guarantee, safety net deposit manage and recorded as per authority circular.
		b. Mortgage collateral (if any) will be recorded with proper valuation.
		c. Securities kept as collateral should be kept as configurable values since the price of shares are dynamic and needs to be adjusted as per MTM at regular interval market value (shares, debentures, bonds etc.)
3.2.4	Investment Calculator	i. Calculates the installment amount and prepares the amortization schedule based on the given information like investment amount (Cost of the goods purchase), profit rate, tenor, GP (if any), payment frequency etc.
3.2.5	Investment Booking	i. Books and Investment in the system with all the financial information and static data for a customer and generates investment account.
3.2.6	Investment Creation	i. Investment are disbursed through creation of investment identification number under Investment module.
		ii. Ability to store investment appraisal and initiate information (e.g. investment proposal, risk grading, credit worthiness and origination).
		iii. Approval number, approval amount, approval date, authority, expiry, tenor, GP (if any), profit rate, drawing power etc. shall be maintained in the system.
		iv. Sanction advice/letter, sanction amount, sanction date, borrower acceptance date, etc. shall be maintained in the system.
		v. Borrower shall not be listed in UNSCR & local sanction.
3.2.7	Disbursement	i. After receiving the approval from IRM, /IAD/competent authority shall prepare sanction advice and handover the same to the branch. Branch shall also issue a sanction letter to the client maintaining consistency with sanction advice, duly accepted by the concerned client, a copy of which shall be sent to the IRM/IAD/ competent authority. IRM/IAD/ competent authority shall reconcile the same with sanction and upload all relevant information/identification in the system. IAD /competent authority shall inform the branch to make final disbursement after satisfaction.
		ii. Disbursements occur as per investment approval.
		iii. Phase by phase disbursement may be allowed.
		iv. System shall have the ability to calculate markup/ unearned profit and charge/debit to the investment account while disbursement.

3.2.8	IRM Limit Checking	i. Approved IRM limit, purpose with code, and identified CL category shall be loaded in the system by IRM/IAD/ competent authority division. After checking the loaded limit in line of approval, IRM/IAD division shall authorize it. Disbursed amount shall not be exceeded the approved credit limit at any point of time. User shall check all the parameters, i.e. investment type, start date, maturity date, profit rate, fees, profit frequency, repayment schedule etc. before completion of the process.
3.2.9	Profit	i. Daily accrual (simple) against principal outstanding debit balance as per applied rate input & unearned/markup (which was booked while disbursement) profit realized on periodic basis or as per regulatory guideline. Principal amount, profit amount and outstanding balance shall be shown separately as per Bangladesh Bank guidelines. ii. Profit is charged on markup basis as per product nature. iii. System shall have the facility to stop profit/compensation charges in the A/C.
3.2.10	Arrears Processing Overdue and compensation	i. Penal profit (as per BB guideline and FI's policy as well) input in CBS system. System shall be able to calculate penal profit on the overdue profit and overdue principal separately. ii. As per nature of the product no penalties will be charged in the A/C before expiry. After expiry compensation shall be calculate and charge in the A/C based on the principal outstanding only. And the charged compensation will not be transferred to the profit A/C. After realization of the compensation, it will be transferred to the foundation A/C.

3.2.11	Payment	i. The maturity date and maturity accounts shall be input while creation of the deal.
		 ii. System shall be flexible to keep the deal alive even after its maturity.
		 iii. System shall have flexibility to set up the sequence which may be followed as under:
		   a. Charges/Duties
		   b compensation
		   c. Overdue profit
		   d. profit
		   e. Principal
		   f. total outstanding

3.2.12	Provisioning	i. System shall have product-wise provisioning facility as per BB Guideline/circular.
3.2.13	Redemption	i. After pay-off, system shall generate an investment pay-off/settlement confirmation.
3.2.14	Financial Data Amendment	i. Financial data like profit rate can be amended if required by the approval of authority.

3.2.15	Static Data Amendment	i.	Static data like MIS codes can be amended in system as and when needed by the approval of authority.
3.2.16	Repayment Processing	i.	Repayments are processed in the system through standing instructions (as per customer instructions) set between customer's suitable payment channel and investment account. Every month installment amounts are collected from customer and reduces the investment balances as per the schedule/ realization method.
		ii.	System shall have facility to set different types of repayment schedule like Equated Payment, Balloon Payment, Bullet Payment, Uneven Payment, etc.
3.2.17	Part Settlement	i.	Part settlement is possible to reduce the debt and also reduce either the tenor or installment amount accordingly. Anytime repayment information like installment amount, no. of installments can be changed as per customer request with partial payment or without any partial payment.
3.2.18	MIS Information	i.	MIS information is captured in the system for the preparation of different management report.
3.2.19	Investment Enquiry	i.	Investment Enquiry module is used to view the status of the investment account. Information like start date, amount, installment, payment etc. can be viewed.
3.2.20	Reversal	i.	Any type of fees reversal is managed in this module.
3.2.21	Principal Movement/Top-Up	i.	Limit increase or decrease for refinance. System shall allow phase by phase disbursement.
3.2.22	Property Details	i.	Property details like FSV, valuation date, property address are captured here for the Mortgage investment.
3.2.23	Reports	i.	Various investment related reports are generated in the reports module.
3.2.24	Reprising Facility	i.	Reprising of investment on given frequency.
3.2.25	Investment Administration	i.	Investment limit control and documentation shall be maintained.
3.2.26	Classification	i.	Considering overdue status and customer's financial condition, appropriate classification status shall be ensured for the respective facility through system.
		ii.	System shall be able to apply classify marking, investment provisioning, transaction generation as per Bangladesh Bank guideline which can be set at product level.
		iii.	Considering Qualitative Judgment (QJ) for non-performing investment, profit provisioning and application shall be as per regulatory guidelines.
3.2.27	Rescheduling, Restructuring & Deferment	i.	System shall have capability to capture rescheduling, restructuring and deferment related MIS information.
		ii.	System shall have capability to apply non-accrual profit treatment for reschedule investment.
3.2.28	Rebate	i.	System shall have the facility to calculate rebate amount for early closing in investment A/C.

Sl. No.	Item	Description
3.2.29	Profit calculation method	i. System shall calculate Profit as per BB guideline
3.2.30	Early settlement	i. System shall have capability to make early settlements of finance as per Bangladesh Bank's guidelines and NBFI policies. ii. System shall have the option to calculate early settlement charges (If any).

3.3 Hire Purchase under Shirkatul Melk (HPSM)

Sl. No.	Item	Description
3.3.1	Investment Proposal Initiation	i. Application with supporting documents in favor of Business/Trade License, Audited Balance Sheet, Tax Clearance, Legal Documents, FI Statement, Statement of Affairs with Cash Flow Statements, CIB Clearance, Supplier(s) Information with Price Quotation, Estimated cost, Authenticity of Collaterals, Preparation of Investment Proposal as per format (check list).
3.3.2	Investment Approval Process	i. Every detail, i.e. amount, profit rate, tenure, collateral value, applicable schedule of charges, payment process (supplier(s)/ buying agent), terms and conditions etc. of the Sanction Advice shall be input in the system.
3.3.3	Checking Collateral Coverage	i. Respective Collateral eg. Payment assignment form buyers, personal guarantee, safety net deposit manage and recorded as per authority circular. ii. Mortgage collateral (if any) will be recorded with proper valuation. iii. System Securities kept as collateral should be kept as configurable values since the price of shares are dynamic and needs to be adjusted as per market value (shares, debentures, bonds etc.)
3.3.4	Investment Calculator	i. Calculates the installment amount and prepares the amortization schedule based on the given information like investment amount, profit rate, tenor, payment frequency etc.
3.3.5	Investment Booking	i. Books an Investment in the system with all the financial information and static data for a customer and generates investment account.

3.3.6	Investment Creation	i. Investment is disbursed through creation of investment identification number under Investment module.
		ii. Ability to store investment appraisal and initiate information (e.g. investment proposal, risk grading, credit worthiness and origination).
		iii. Approval number, approval amount, approval date, authority, expiry, tenor, profit rate, drawing power etc. shall be maintained in the system.
		iv. Sanction advice/letter, sanction amount, sanction date, borrower acceptance date, etc. shall be maintained in the system.
		v. Borrower shall not be listed in UNSCR & local sanction.
3.3.7	Disbursement	i. After receiving the approval from IRM, IAD/competent authority shall prepare sanction advice and handover the same to the branch. Branch shall also issue a sanction letter to the client maintaining consistency with sanction advice, duly accepted by the concerned client, a copy of which shall be sent to the IRM/IAD/ competent authority. IRM/IAD/ competent authority shall reconcile the same with sanction and upload all relevant information/identification in the system. IAD / competent authority shall inform the branch to make final disbursement after satisfaction.
		ii. Disbursements occur as per investment approval.
		iii. Phase by phase disbursement may be allowed.
3.3.8	IRM Limit Checking	i. Approved IRM limit, purpose with code and identified CL category shall be loaded in the system by IRM/IAD/ competent authority division. After checking the loaded limit in line of approval IRM/IAD division shall authorize it. Disbursed investment amount shall not be exceeded the approved credit limit at any point of time. User shall check all the parameters, i.e. investment type, start date, maturity date profit rate, fees, profit/rental frequency, repayment schedule etc. before completion of the process.
3.3.9	Profit	i. Daily accrual (simple) against principal outstanding debit balance as per applied rate input & profit charged on periodic basis or as per regulatory guideline. Principal amount, profit amount and outstanding balance shall be shown separately as per Bangladesh Bank guidelines.
		ii. As per nature of the product profit charges on rental basis.
3.3.10	Arrears Processing Penal profit	i. System shall be able to calculate penal profit on the overdue principal only as per BB guideline and FI's policy as well.

3.3.11	Payment	i. The maturity date and maturity accounts shall be input while creation of the deal. ii. System shall be flexible to keep the deal alive even after its maturity. iii. System shall have flexibility to setup the sequence which may be followed as under: a. Charges/Duties b. Penal profit c. Overdue profit d. profit e. Principal f. total outstanding
3.3.12	Provisioning	i. System shall have product-wise provisioning facility.
3.3.13	Redemption	i. On demand subject to sufficient fund in the maturity account. After pay-off, system shall generate an investment pay-off confirmation.
3.3.14	Financial Data Amendment	i. Financial data like profit rate can be amended if required.
3.3.15	Static Data Amendment	i. Static data like MIS codes can be amended in system as and when needed.
3.3.16	Repayment Processing	i. Installment based repayments are processed in the system through standing instructions (as per customer instructions) set between customer's (suitable payment channel) and investment account. Every month installment amounts are collected from customer and reduces the investment balances as per the schedule/realization method. ii. System shall have facility to set different types of repayment schedule like Equated Payment, Balloon Payment, Bullet Payment, Uneven Payment, etc.
3.3.17	Part Settlement	i. Part settlement is possible to reduce the debt and also reduce either the tenor or installment amount accordingly. Anytime repayment information like installment amount, no. of installments can be changed as per customer request with partial payment or without any partial payment.
3.3.18	MIS Information	i. MIS information is captured in the system for the preparation of different management report.
3.3.19	Investment Enquiry	i. Enquiry module is used to view the status of the investment account. Information like start date, amount, installment, payment etc. can be viewed.
3.3.20	Reversal	i. Any type of fees reversal is managed in this module.
3.3.21	Principal Movement/Top-Up	i. Limit increase or decrease for refinance. System shall allow phase by phase disbursement.
3.3.22	Property Details	i. Property details like FSV, valuation date, property address are captured here for the Mortgage loans.
3.3.23	Reports	i. Various investment related reports are generated in the reports module.

3.3.24	Reprising Facility	i. Reprising of investment on given frequency.
3.3.25	Investment Administration	i. Investment limit control and documentation shall be maintained. ii. Revising rental of invested property.
3.3.26	Classification	i. Considering overdue status and customer's financial condition, appropriate classification status shall be ensured for the respective facility through system. ii. System shall be able to apply classify marking, investment provisioning, transaction generation as per Bangladesh Bank guideline which can be set at product level. iii. Considering Qualitative Judgment (QJ) for non-performing investment, profit provisioning and application shall be as per regulatory guidelines.
3.3.27	Rescheduling & Restructuring	i. System shall have capability to capture rescheduling, restructuring and deferment related MIS information. ii. System shall have capability to apply non-accrual profit/rental treatment for reschedule investment.
3.3.28	Profit calculation method	i. System shall calculate Profit as per BB guideline
3.3.29	early settlement	i. System shall have capability to make early settlements of finance as per Bangladesh Bank's guidelines and NBFI policies. ii. System shall have the option to calculate early settlement charges (If any)

3.4   Quard (Islamic Finance) QTDR, QHG, QPF, QBF, QACA

Sl. No.	Item	Description
3.4.1	Facility Booking	i. Book in the system with all financial information and static data for a customer and generate account.
3.4.2	Disbursement	i. Disburse the finance as per the limit for a finance account, partly disbursement is also possible.
3.4.3	Payment Processing	i. Monthly payments are processed in the system through standing instructions (as per customer instructions) set between customer's suitable payment channel and investment account. Every month installment amounts are collected from customer and reduces the investment balances as per the schedule/realization method. System shall have the option to receive fractional repayment amount.
3.4.4	Financial Data Amendment	i. Financial data like profit rate can be amended if required. No additional profit allowed in Quard.
3.4.5	Static Data Amendment	i. Static data like MIS codes can be amended in system as and when needed.
3.4.6	Provisioning	i. Provisioning is handled by system. Finances are impaired after reaching the certain DPD.

3.4.7	Early Settlement	i.	Premature/early settlements of finances are managed in this module.
3.4.8	Part Settlement	i.	Part settlement is possible to reduce the debt and also reduce either the tenor or installment amount accordingly.
3.4.9	Arrears Processing	i.	Arrears and associated bucket movements are handled.
3.4.10	Fee Processing	i.	Fees associated with the finances are tagged with the finances and charged to customer.
3.4.11	MIS Information	i.	MIS information is captured in the system for the preparation of different management report.
3.4.12	Finance Enquiry	i.	Finance enquiry module is used to view the status of the finances. Information like start date, amount, installment, payment etc. can be viewed.
3.4.13	Property Details	i.	Property details like FSV, valuation date, property address are captured here for the Mortgage finances.
3.4.14	Lien	i.	System shall have the lien facility of the MTDR with the finance account.

3.5 Short Term Agricultural and Micro-Credit Loan

Sl. No.	Item		Description
3.5.1	Loan Proposal Initiation	i.	Application with supporting documents National ID, preparation of Loan Proposal as per format (check list).
3.5.2	Loan Approval Process	i.	Every detail, i.e. amount, interest rate, tenure, applicable schedule of charges, terms and conditions etc. of the Branch Sanction Advice shall be input in the system at branch level.
3.5.3	Other Securities	i.	Witness confirmation (individual or Union Parishad), Hypothecation of goods, Equity Margin, Porcha (CS,SA,RS/DS) or lien of TDR etc.
3.5.4	Loan Calculator	i.	Total amount or partial amount can be deposited at any time within the period. Interest rate is calculated at the year-end simply (simple interest rate).
3.5.5	Loan Creation	i.	Loans are disbursed through creation of loan identification number under Loan/Credit/Investment module.
		ii.	Ability to store loan appraisal and initiate information (e.g. loan proposal, credit worthiness and origination).
		iii.	Approval number, approval amount, approval date, authority, expiry, tenor, interest rate etc. shall be maintained in the system.
		iv.	Sanction advice/letter, sanction amount, sanction date, borrower acceptance date etc. shall be maintained in the system.
		v.	Borrower shall not be listed in local sanction.
3.5.6	Disbursement	i.	Branch shall issue a sanction letter to the client maintaining consistency with sanction advice, duly accepted by the concerned client.
		ii.	Disbursements occur as per loan request as per loan approval.

3.5.7	Interest/Profit	i.	Daily accrual (simple) against principal amount as per applied rate input & interest charged on periodic basis or as per regulatory guideline.
3.5.8	Payment	i.	The maturity date and maturity accounts shall be input while creation of the deal.

		ii.	Payment sequence may be as under:
			  a. Charges/Duties
			  b. Interest
			  c. Principal

		iii.	Track receivable can also be introduced in case of shortage of installment amount. As a result, whenever fund is available in source account, system shall adjust the tracked amount for installment first.
		iv.	System shall have feature to realize due amount automatically from the assigned CASA account. If there is insufficient fund, system shall create a HOLD for the unrealized amount and system shall recurrently try to realize the due amount subject to availability of fund during EOD.
3.5.9	Provisioning	i.	Provisioning is handled by system. Loans are impaired after reaching the certain DPD (Day Past Due).
3.5.10	Financial Data Amendment	i.	Financial data like Interest rate can be amended if required.
3.5.11	Static Data Amendment	i.	Static data like MIS codes can be amended in system as and when needed.
3.5.12	Payment Processing	i.	Total amount or partial amount can be deposited at any time within the period.
3.5.13	MIS Information	i.	MIS information is captured in the system for the preparation of different management report.
3.5.14	Loan Enquiry	i.	Loan enquiry module is used to view the status of the loans. Information like start date, amount, installment, payment etc. can be viewed.
3.5.15	Reversal	i.	Wrong loan amount posting reversal is managed in this module.
3.5.16	Reports	i.	Various loan related reports are generated in the reports module.
3.5.17	Credit Administration	i.	Loan limit control and documentation module through branch.
3.5.18	Classification	i.	Considering overdue status and customer's financial condition, branch shall ensure appropriate classification status for the respective facility through system.
		ii.	System shall be able to automatically classify marking, loan provisioning, and transaction generation as per Bangladesh Bank guideline which can be set at product level.
3.5.19	Rescheduling & Restructuring	i.	System shall have capability to capture rescheduling and restructuring related MIS information.
		ii.	System shall have capability to apply non-accrual interest treatment for reschedule loan.

3.6 Non-Installment/Revolving Loan (Such as Factoring, Work-order Financing, Reverse Factoring and Distributor Financing Facility)

Sl. No.	Item	Description
3.6.1	Loan Proposal Initiation	i. Application with supporting documents in favor of Business/Trade License, Audited Balance Sheet, Tax Clearance, Legal Documents, Statement of Affairs with Cash Flow Statements, CIB Clearance, Authenticity of Collaterals, Buyer sales ledger analysis, distributor lifting analysis, payable position analysis, FI Statement, Preparation of Loan Proposal as per format (check list).
3.6.2	Loan Approval Process	i. Every detail, i.e. amount, interest rate, tenure, collateral value, applicable schedule of charges, Payment assignment status form Buyers, terms and conditions etc. of the HO Sanction Advice shall be input in the system at HO level. Upon receipt of loan proposal from the branch, the concerned department shall prepare the highlights for the credit committee and for onward approval of the same for the Board of Directors. System shall accommodate Delegation of Authority (DOA) as per FI's policy.
3.6.3	Checking Collateral Coverage	i. Respective Collateral eg. Payment assignment form buyers, personal guarantee, safety net deposit manage and recorded as per authority circular. ii. Mortgage collateral (if any) will be recorded with proper valuation. iii. Securities kept as collateral should be kept as configurable values since the price of shares are dynamic and needs to be adjusted as per market value (shares, debentures, bonds etc.)
3.6.4	Loan Creation	i. The facility limit will be active in system as per credit approval which is reviewed annually. ii. Ability to store loan appraisal and initiate information (e.g. loan proposal, risk grading, credit worthiness and origination). iii. Approval number, approval amount, approval date, authority, expiry, tenor, interest rate (requires further discussion like T-Bill, T-Bond and how to configure their inclusion since they have a floating rate), grace period, drawing power, etc. shall be maintained in the system. iv. Sanction advice/letter, sanction amount, sanction date, borrower acceptance date, etc. shall be maintained in the system.

3.6.5	Disbursement	i. After receiving the approval from CRM, CAD shall prepare sanction advice, and forward the same to the branch. Branch also shall issue a sanction letter to the client maintaining consistency with sanction advice, duly accepted by the concerned client, a copy of which shall be sent to the CAD. CAD shall reconcile the same with sanction and upload all relevant information/identification in the system. CAD shall inform the branch to make final disbursement after satisfaction.
		ii. Issuance of sanction letter, inputting limit, disbursement of loan etc. shall be separate function and access right shall be given in the users' role level as per policy of the FI.
		iii. Disbursement occurs as per customer's withdrawal request against submitted invoice/ lifting order from Facility Account through Cheque/Transfer within the approved Limit.
		iv. For Islamic FIs deal-wise disbursement is applied. Sale-Purchase is the essence of Shariah Financing, so Pay Order is given to supplier/seller of goods. With few exceptions (agency arrangement), fund transferred by the FI in current a/c of the customer is violation of Shariah (as no sale-purchase is occurred).
3.6.6	CRM Limit Checking	I. Approved CRM limit, purpose with code, and identified CL category shall be loaded in the system by respective divisions. After checking the loaded limit in line of approval, CRM/CAD division shall authorize it. Disbursed Loan amount shall not be exceeded the approved credit limit at any point of time. User shall check all the parameters, i.e. loan type, start date, maturity date, interest rate, grace period, fees, interest frequency, repayment schedule, etc. before completion of the process.
3.6.7	Interest	i. Daily accrual (simple) against outstanding debit balance as per facility rate input & Interest charged on quarterly (compound) basis or as per regulatory guideline.
		ii. For Islamic Financing, mark-up profit is charged.
3.6.8	Provisioning	i. As per Central Bank guidelines.
3.6.9	Arrears Processing	i. Penal interest (as per company policy) input shall be in place.
		ii. Daily accrual against outstanding over the- drawdown limit as per Penal interest rate realized in monthly/quarterly rest basis and will be realized on the point of collection from buyer, adjustment or any other suitable time/period.
		iii. Invoice processing/ factoring discount as per the approved rate will be accrued in system and will be realized at the point of collection adjustment of the invoice.
3.6.10	Adjustment/Liquidation	i. As per the collection credit form Buyer or form won sources of the client in the facility account, outstanding along with other interest and charges shall be adjusted.
		ii. The order of adjustment is interest and charges will be in the first steps, secondly if there was any buildup security and lastly the principal amount.

3.6.11	Classification	i. Considering overdue status and customer's financial condition, branch shall ensure appropriate classification status as per Bangladesh Bank guidelines for the respective facility through system.
		ii. System shall be able to auto classify marking, loan provisioning, transaction generation as per Bangladesh Bank guideline which can be set at product level.
		iii. Considering Qualitative Judgment (QJ) for non-performing Loan/Investment, Interest calculation shall be ceased (Unaccounted/Unearned) for BL loans.
3.6.12	Rescheduling, Restructuring & Deferment	i. System shall have the rescheduling, restructuring and deferment facility with relevant history and audit trail. For the mentioned facilities, creation of new account shall not be allowed. Only the existing account shall be considered to be the only account of the facilities.

3.7   Term Loan (Discounted)

Sl. No.	Item	Description
3.7.1	Loan Creation	i. System shall have unique product code for discounted loans. ii. For each discounted loan, there shall be separate unique loan reference. iii. System shall be able to capture different MIS codes.
3.7.2	Interest	i. Interest realized at upfront for the deal tenor shall be reported in PL on the daily product basis. ii. In case of early pay-off/settlement, system shall be able to reverse unearned interest.
3.7.3	Provisioning	i. As per Central Bank guidelines.
3.7.4	Adjustment/ Liquidation	i. Through cash/clearing/transfer deposit.

4.   Module: Treasury

4.1   Products

Sl. No.	Item	Description
4.1.1	Money Market	System shall provide facility for: i. Deposits/Placements and borrowing – Fixed, Notice and Call ii. Certificate of deposits iii. Discount instruments iv. Refinancing Fund

4.1.2	Securities	System shall provide facility for (on behalf of FI & customer):
		i. Discounted instruments
		ii. Fixed rate instruments
		iii. Floating rate instruments
		iv. All kinds of bonds (e.g. coupon bonds, zero coupon bonds, asset backed/Islamic bonds etc.)
		v. Shares, Equities & Warrants
		vi. Debentures
		vii. Preference shares
		viii. Securitization
		ix. Share trading on stock exchanges
		x. Issuance of all kinds of money and capital market bonds
		xi. Primary Dealership of securities from Bangladesh Bank
4.1.3	Term Borrowing from FIs and other Borrowings	System shall be able to perform:
		i. Scheduled based Long Term Loan/Investment taken from Banks and FIs
		ii. Scheduled based Short Term Loan/Investment taken from Banks and FIs
		iii. Revolving Loan /Investment
		iv. Syndicated Term Loan /Investment
		v. Schedule based Foreign Currency Loan
		vi. Overdraft Facility

4.2   Front Office

Sl. No.	Item	Description
4.2.1	Basic Feature	i. System shall be able to perform Straight Through Processing with level-wise authorization as per regulatory guideline.
		ii. System shall have money market position blotter.
		iii. System shall have Individual dealer wise log in screen and monitoring system.
		iv. System shall show total limit, counterpart limit and dealer wise limit
4.2.2	Online Real-Time Facilities	i. System shall perform intraday positions & profitability analysis for deal/currency/dealer-wise.
		ii. System shall process funding position
		iii. System shall monitor central bank regulatory limits.
		iv. System shall have interest/yield/profit, NPV calculator based on parameterized methods (e.g. with or without upfront tax impact, tax at maturity, in case of tax change, discounted value, premature encashment etc.).
		v. System shall have credit analyzer for counter party limit.
		vi. System shall have exception event handling option.

4.2.3	Trades	i. System shall be capable to make amendment, cancellation, deletion to trades captured in the system with proper authorization and notification to the mid office.
		ii. System shall be able to provide data for monitoring e.g. VAR limit, notional limit, regulatory limit, ALCO set limit, and other limits set at divisional level.
		iii. System shall have built-in currency converter and calculator to facilitate all kinds of interest/yield/profit, discounted, present value at present and accrual basis.
		iv. System shall have ability to generate fund transfer instruction to related office.
		v. System shall have ability to match deals, discounted instruments for profitability analysis or liquidation of contracts.
		vi. System shall perform maintenance of static data like standing instruction, sweep facility, event and holiday calendar.

4.3   Middle Office

Sl. No.	Item	Description
4.3.1	Basic Feature	i. System shall be able to cover the following middle office features: - a. Credit risk exposure monitoring and control b. Product limit for main and sub-limit c. Limits by tenors d. Counterparty Limit e. Dealer's limit f. Dealing room limit g. Inter day limit h. Settlement limit i. Mandatory limit for SLR/CRR j. Off-Market Rate Monitoring k. Secured/Unsecured Credit Lines l. Secured/Unsecured Investment Lines m. Online excess overrides and Audit Trail reports n. Authorization of deal captured at front office ii. System shall generate P/L according to dealer-wise, product-wise, deal-wise, counter party-wise and for a specific period- wise. iii. System shall perform mark to market, revaluation, and forward revaluation. iv. System shall be able to set internal trading limits and monitoring at various levels, e.g. Product, Dealer, Trading Books, etc. v. Shall have the facility of Revaluation Reserve Securities wise. vi. Shall have the facility of Revaluation Loss Securities wise.

4.4 Back Office

Sl. No.	Item	Description
4.4.1	Basic Feature	i. System shall monitor outstanding trades tracking. ii. System shall track confirmed/unconfirmed trades (incoming & outgoing). iii. System shall have features for Standard Settlement Instruction and Incomplete Settlement Instructions. iv. System shall have Historical Trades Analysis. v. System shall have trade confirmation and settlement processing. vi. System shall provide mark-to-market revaluation, Coupon Accruals and alerts. vii. System shall have standard control process – Maker-Checker "4-eyes principle". viii. System shall perform Dealer and or Settlement Verification. ix. System shall prepare regulatory report. x. System shall perform treasury reconciliation. xi. System shall issue BB cheques/electronic payment.

4.5 Other Features

Sl. No.	Item	Description
4.5.1	Deal Capture	i. System shall be able to capture any deal in front office for local Currency. ii. System shall perform real time online monitoring of dealer-wise/counterpart-wise limit and shall show the open limit and then shall pass the deal to mid office after proper authorization. After mid office verification, deal will be passed to back office for settlement. iii. System shall have flexible dealing screen to capture all local market features respective to all standard products (e.g. deal passing without mentioning rate).

4.5.2	Interest/Profit Calculation	i.	System must perform all possible methods of interest /Profit calculation (e.g.360/365days and if any other).
		ii.	System shall have facility to change interest/profit rate with effect from a prior/future date and the re-computation of interest/profit to be done globally and the dues to be adjusted in the affected accounts. Shall keep history of interest /profit changes globally and at account level.
		iii.	System shall support various method of charging/paying/calculating interest/profit (e.g. Flat, Floating, Tiered, Mixed, Compounding, Grace period, Add on facility, Holiday marking with feature of in advance/subsequent to a holiday, Premature encashment, Renewal, Premature encashment of interest/profit and Renewal of principal with or without accrual, Penal charge implication etc.).
		iv.	System shall have ability to give effect to back value to interest/profit change and all related effect to concerned accounts.
		v.	System shall provide calculators for all kinds of interest/yield/profit rate and amount calculation like flat, fixed, compound, tiered, mixed, discounted values, NPV based on grace period, with or without accruals and all other possible methods.
		vi.	System shall calculate all kinds of SWAP and its legs.
		vii.	Shall have facility to tag spread margin (+/-) with any product rate to other product/individual account.
4.5.3	Accounting	i.	System shall generate accounting entries for treasury contracts (off & on balance sheet items) in a flexible and parameterized manner supporting generation of multi currency-general ledger entries. The accounting entries shall be defined based on product type, client type and a business event.
		ii.	System shall have ability to automatically generate the "Accrual" of all kinds of treasury products. (e.g. Swap Profit/Loss, Income/Expense) accounting entries for the duration between the value dates.
		iii.	System shall automatically generate premium related accounting entries, on value date for Options Contracts
4.5.4	Maker-Checker Process	i.	System shall be able to run Maker Checker process in which, one user captures the contract or settlement details, and a different user validates/verifies/authorizes the contract or settlement details.
		ii.	System shall make the contract active, only after the maker checker process.
4.5.5	Settlement Processing	i.	System shall allow the users to maintain default settlement instructions by counter party.
		ii.	System shall also allow split settlement .
		iii.	System shall have ability to produce confirmation, payment & receive messages based on the settlement instructions.

4.5.6	Contract Reversal	i.	System shall automatically generate the accounting entries to reverse the initial accounting entries posted to the General ledger and also generate cancellation message.
4.5.7	Brokerage Commission Calculation	i.	System shall be able to calculate the amount of brokerage commission automatically.
		ii.	System shall also be able to maintain the currency in which the brokerage commission is calculated.
4.5.8	Amendment of Money Market Contracts	i.	System shall have ability to perform the following amendments on Money Market Contracts with level wise predefined authorization: - a. Increase principal b. Decrease principal c. Rate change d. Change in interest/profit frequency e. Change in rollover frequency f. Maturity change etc.
4.5.9	Prior to Maturity adjustments of Money Market Contracts	*	System shall allow the users to perform the following adjustments, prior to maturity of money market trades: i. Deposit and withdrawal entries from Call/Notice accounts ii. Early withdrawal of fixed term deposits with or without penalty & tax effect iii. Rollover of outstanding trades iv. Changes in settlement instructions
4.5.10	Back Valuation of Contracts	i.	System shall be parameterized to allow the users to maintain the maximum period for which a contract can be backdated.
4.5.11	Charges on Contracts	i.	System shall maintain and automatically generate the charges & the charge related accounting entries for treasury contracts as defined by the users.
4.5.12	Auto Renewal of Money Market Contracts	i.	System shall support the followings: a. Money market deals could be configured to be auto-renewed upon maturity. b. The auto-renewal attribute of a money market contract shall be set up at a product level. c. Upon deal creation, the auto-renewal attribute shall be defaulted. The user could manually override the auto-renewal setting for each contract. d. User shall have the ability to override any renewed contract with level wise authorization.

4.5.13	Deal Matching of Security Transactions	i.	System shall have ability to perform the rules given below: a. Matching will be possible only for transactions with the same security, and trading book code. b. A new deal being matched (the sale deal) needs to be completely matched against the buy(s). c. It is possible to match a sale deal against multiple buys; buy deals likewise can have multiple sale deals matched with them. d. The value date of the sale deal shall be greater than or equal to the value date (s) of the buy deals with which it being matched. e. If a sale deal is being reversed, all the match records with the buy deal shall be deleted after proper authorization.
4.5.14	Security Lending	i. ii.	System shall have ability to support security lending. It shall allow the users to input collateral as security for lending. The cash and/or security can be used as collateral. System shall validate the position before security can be lent out.
4.5.15	Coupon & Maturity Redemptions	i. ii.	System shall have ability to automatically generate the accounting entries for Coupon & Maturity Redemptions of securities contracts. System shall also be able to automatically generate the coupon payment deals. The coupons alert shall be generated on given specified time before the coupon date.
4.5.16	Custodian Information	i.	System shall have ability to capture the "own" & "counter-party" custodian information for securities.
4.5.17	Security Delivery Types	i.	During settlement of bonds & security contracts, system shall have ability to specify the following delivery types: a. Receive against payment (RVP) b. Receive free of payment (RFP) c. Deliver against payment (DVP) d. Deliver free of payment (DFP)
4.5.18	Fixed vs Floating & Floating vs. Floating for Interest /profit Rate SWAP Transactions	i.	System shall have ability to handle both Fixed vs. Floating & Floating vs. Floating (basis swap) transactions for Interest /profit Rate SWAP.
4.5.19	On-line Updates	i.	Once the treasury contracts are done, system shall be able to perform the following on-line updates: a. Updates to the FI-wide overall cash flow b. Intra-day positions c. Estimated P/L.
4.5.20	Limit Exposure Checking	i.	System shall monitor/track the following limits/exposures online real-time: a. Counter party b. Product c. Settlement d. Dealer

4.5.21	Revaluation & Related Accounting Entries	i.	System shall automatically generate the revaluation accounting entries for all the treasury products based on pre-agreed method.
4.5.22	Automatic or Manual Generation of Deal Numbers	i.	System shall have both the options of automatically generating deal ticket with numbers, or manually entering the deal numbers depending on the treasury department's policies.
4.5.23	Interfaces	i.	System shall have ability to interface and manage regarding messages to the following external systems: a. Central Depository Bangladesh Ltd. b. Stock exchange c. Bangladesh Bank
4.5.24	STP Processing	i.	System shall support Straight Through Processing from deal entry to settlement and accounting
4.5.25	Deal Modification	i.	System shall facilitate the following online operations for treasury deal modification: a. Approval b. Corrections c. Amendments d. Reversals e. Cancellations
4.5.26	Maturity Diary	i.	System shall have ability to generate diary reminders for expiry dates and interest/profit due dates against all treasury
4.5.27	Cash Flow Management	i.	System shall perform daily fund requisition from Retail and Corporate through system.
		ii.	System shall automatically update the relevant accounts with the funds expected to be received/paid once a transaction is processed with prior approval.
4.5.28	Messages	i.	The related deal confirmation notices to be sent to the counter party shall also be automatically generated.
4.5.44	Budget	i.	System shall monitor the variance between the actual P/L and other positions with budget figures on various areas.
4.5.45	Work Flow Process	i.	System shall show the work flow process in every working area of treasury.

4.5.47	Asset Liability Management	i. System shall have ability to support the following features/analysis/reports: a. Product-wise cost/yield for asset & liability b. Capital Management c. BIS Ratios (Capital Adequacy Ratio etc.) d. Gearing Ratio e. Leverage etc. f. Gap Analysis g. Structural Liquidity Gap (bucket-wise & cumulative gap against set limit) h. Interest/profit Rate Sensitivity (reprising, bucket wise & cumulative gap against set limit) i. Dynamic Liquidity j. Dynamic Gaps k. Duration Analysis l. Economic Value of Equity m. Duration calculation for every product (asset & liability) & cumulative duration n. Duration Gap o. Sensitivity Analysis p. Trend Analysis of all asset & liability products. q. Ratio Analysis r. ROA, ROE s. Earning Asset /paying liability t. Yield on earning asset u. Equity/Total Asset v. Break even yield on earning asset w. Un drawn commitment as % of unused WBC x. Net Interest/profit Margin & Risk adjusted Margin cc. Forecasted effect on NIM & RIM, ROA, ROE dd. Balance Sheet trend analysis y. Forecast Vs Actual, Forecast Vs Budget & Budget Vs Actual - business segment-wise position (rolling 6/12 months) z. Concentration analysis as per product/customer/maturity-wise aa. Liquidity Stress Testing bb. Scenario Analysis cc. Back testing assumptions in Trend Analysis dd. Liquidity Ratios ee. SNAP Liquidity Ratio ff. Short term borrowing/liquid asset gg. Volatile liability/total asset hh. Liquid asset/short term liabilities ii. All other standard ALM reports jj. Options to add new ratios as when required by the BB

Sl. No.	Item	Description
4.5.48	ALCO Process	i. System shall support: a. ALCO limit setting and monitoring b. ALCO pack preparation based on committee requirement c. Interest/profit rate fixation by ALCO at product level

5. Module: System Administration

5.1 User Management

Sl. No.	Item	Description
5.1.1	User Group Maintenance	i. User groups shall be maintained as per FI's and regulatory bodies' FI's policy such as • Manager • Supervisor • Officer • Administrator, etc.
5.1.2	User Creation/Modification	i. User creation, update/modification, disable, transfer shall be done with proper documentation.
5.1.3	User Information	i. User information shall be maintained properly with a minimum of: • User ID • Employee ID • User Name • User Cell Number • User Email Address • User Role • User Branch • Prime Menu • User Type (HO User, Approval Authority , Relationship Manager, Manager, Officer, Supervisor) • User Terminal IP, Operating Time, Application Server IP • User Division • User Department
5.1.4	User Administration	i. The administrator shall be able to do the followings as per FI's policy: • User Management • Menu Options/Functions Management • Set access controls to meet the application security • Transaction limit setup as per approved DOA
5.1.5	Ordinary Users	i. An Application User shall be able to do the following: • Access menus as allowed by the application security set up for each unit/branch user • Perform transaction and other input as allowed by the application security set up for each unit user • Perform overrides, if permitted • Perform enquiries as allowed by the application security set up for each unit user

5.2   Role Management

Sl. No.	Item	Description
5.2.1	Application Access Control	i. Users are granted or revoked for the Application. ii. Each Menu Options/Functions are granted or revoked for each user. iii. Special security features provided for certain enquiry functions, such as, Account Balance of Specific Branch, Account or Customer. iv. User cannot have dual role (Maker and Checker)
5.2.2	User Role	i. Creation of different role name for different type of users. ii. Addition/deletion of functions in a role. iii. Selection of right for each function under a role, e.g. add/modify/cancel/delete/inquiry/view/print etc. iv. Allowing single or multiple roles with a user ID.
5.2.3	Transaction Limit for Group	• Branch code • Group Code • Max amount for credit • Max amount for debit • Max amount for inter-branch credit • Max amount for inter-branch debit • As per approved DOA for Customers and GL/P&L Account
5.2.4	Transaction Authorization	• Max amount for credit • Max amount for debit • Max amount for inter-branch credit • Max amount for inter-branch debit • As per approved DOA for Customers and GL/P&L Account
5.2.5	Transaction Limit for Individual User	• User ID • Max amount for credit • Max amount for debit • As per approved DOA for Customers and GL/P&L Account
5.2.6	Transaction Authorization	• Max amount for credit • Max amount for debit • As per approved DOA for Customers and GL/P&L Account
5.2.7	Transaction Limit (Inter-Branch)	• Assigning branch • Max amount for inter-branch credit • Max amount for inter-branch debit • As per approved DOA for Customers and GL/P&L Account
5.2.8	Authorization Password	• Authorization Password Maintenance • As per NBFI and regulatory bodies' FI's policy and procedure, user password shall be reset maintaining a periodic gap
5.2.9	Supervisor Overrides	• Whether or not the warning requires supervisor override • Which supervisors can override the warning
5.2.10	Availability Codes	• Availability codes are used to define which users are available for authorizing warnings remotely.

5.3   Application Administration

Sl. No.	Item	Description
5.3.1	Application Environment Setup	• Library List Setup • User Password Rule
5.3.2	FI Parameters	• Maintain Rates • Charges Configuration • Yearly Calendar • Maintain Holidays • FI Name • Currency • Chief Local Office • Profit period start day • Profit period start month • Automatically balance system • Length of ~~external~~ account number • Unique customer number • Maintain reporting defaults. • Operating time
5.3.3	Enquiry Security	• Account Enquiries • Statistics Enquiries • Account Services Enquiries • Additional Information Enquiries
5.3.4	Account Maintenance Control Security	• Setting up menu options for users to perform account maintenance. • Defining account detail fields which may be maintained using specific menu options • Authorizing individual users to these menu options
5.3.5	Administration	• Apply parameter and control system tailoring upgrades to the application • Run the Application Start and End of Day processing for the unit • Backup and Restore files as required • Housekeeping activities • Option to run EOD/SOD/EOM/EOY at Head office level for all Units/Branches
5.3.6	Audit Trail	• Journal Report for User Profile Management Activity • Journal Report for all types of Transaction • Journal Report for all types Overrides • Journal of Enquiry Usage Security Journal Report of all parameter changes and configuration level changes. • Report of Database Alter/Delete/Update .
5.3.7	Transaction Monitoring	• Shall use transaction monitoring system to indentify unusual transactions based on FI's policy and customer behavior.

6.   Module: Reporting

- FI's Reporting System(s) shall be capable of generating all regular MIS Reports, Regulatory Required Reports and so on. There shall be some basic business and regulatory report such as detailed transaction records of any accounts, Daily Affairs, Monthly Affairs, FICLs, NBFI 1,2 & 3, RITs, PNL, AML (CTR, STR), CIB Reports, SME Reports, Audit Trail, ALM Maturity Profile, List of Risk Limits, Risk Ratios suggested by various guidelines of regulators etc.
- Various category-wise reporting facility such as Financial Collateral, Immovable Collateral, Rescheduled Loan, Defaulted Loan, Accounts under Legal Action, Rated Assets, Borrower Net Worth, etc. shall be available.
- For variety of solution usage in the FIs for different business portfolios, the report generation process shall be automated, transparent and reconciled with host system. Manual intervention shall be prohibited.
- For any changes in parameter level and configuration level, Audit Trail reports shall be available to illustrate the changes history.
- FIs may use Reporting Tool for automated data capturing from different solutions.
- In case of these reports preparation, a clear segregation of entity portion viz. branch & centralized corporate entities shall be ensured by the system especially for the FI's which have adopted centralized accounting system and centralized business unit.
- The system shall be capable of producing the chart of accounts and the detailed transaction records of each of these account heads and sub-heads with date, description, debit, credit, balance etc.
- The account heads, product name etc. shall resemble with the forms of the First Schedule of the Bank- Companies Act, 1991 (amended up to 2013) and any amendments of the stated schedule made by BRPD.
- The layout of various reports shall resemble with business and regulatory practices of Bangladesh.
- Each Report should be preserved with date/time stamp and document ID.