



Trax SPV and Securitisation Accounting - SQL.Net

Designed for accountants and finance directors in the securitisation industry, **Trax SPV and Securitisation Accounting™** combines all the features and functionalities required for multi-issue and securitisation accounting and for financial reporting. Major features include extensive automatic bookkeeping with auto-posting of interest receivable and payable, foreign exchange gains and losses, end of period revaluation and reversal of closing entries. Real and pseudo-consolidation of period-end adjusted accounts can be undertaken at any date. The installation can benefit from reliable, fixed format data flows providing up-to-date FX and stock exchange information.

The system is designed to produce detailed reporting on bond emissions, linked loans and related financial deals. Specific tools allow regrouping and detailed reporting of all related deal types according to the bond emission hierarchy. This dramatically reduces the number of security types, deals and accounts that must be created and maintained and it requires less intervention by the user with respect to the chart of accounts and financial statement layout.

Links between the bond issues or adjacent assets and related loans, hedge operations (CDS, CRS, Options or other financial instruments) and connected fees are easily managed. After the issue of adjacent assets are booked appropriate routines assist the user in booking all related deals, proposing amounts and other information emanating from the base deal. The link between deals - through ISIN code - is recorded and used later in reporting.

Using securities in bond issue deals and linking loans to those issues will be sufficient for Trax analytical accounting to prepare analytical financial statements and provide detailed data to the embedded version of the TraxCell MS-Excel merge module.

Trax SPV and Securitisation Accounting™ thus delivers full analytic (by ISIN) booking, management and reporting for Subjacent Assets and Note Issue Securitisation:

• Notes Issue / Adjacent Assets	• Linked Loan / Linked Borrowing
• Interest Rate Swap Loan / Borrowing	• Cross Currency Swap Loan / Borrowing
• Credit Default Swap Loan / Borrowing	• Option Loan / Option Borrowing
• Equity Swap Loan / Borrowing	• Other basic or synthetic deals (e.g. swaptions)

and control statements for related fees: issue fees, syndication commissions, discounts, premium, up-front fees received and paid. This is not an exhaustive list and other types of deals or fees can readily be accommodated.

Trax SPV and Securitisation Accounting™ may also be used for structured funds, classic “bond-basket” or other security scenarios where the SPV makes one or more issues for sale to investors against a portfolio of securities, allowing the SPV managers to vary the flavour of the bonds issued to accommodate the individual risk profiles and other characteristics of their client investors.

CONSOLIDATION

The system has a module designed to manage specific consolidation processes. Trax prepares an automatic data feed to external consolidation systems. This functions by extracting and re-processing accounting entries according to a predetermined set of parameters. This dynamic analytical module provides conformity with group re-allocation requirements of all on- and off-balance sheet items. We currently have experience with Magnitude, Matisse, and Arpège consolidation systems. The system allows production of accounts at any juncture through the life of the SPV, with full accrual and prepayment reversal. Accounts are produced ready for filing, complete with notes as required, and with user-definable customer output which can be produced in a selection of languages. Connections to mainframe and other data sources can be provided as part of the installation service. In addition to simple aggregation, where the end-of-period balances in individual compartments are added together to produce account balances in the parent company there is the possibility to opt for full transactional aggregation. This option adds all of the individual entries in each compartment into the individual accounts of the parent company, providing a complete transactional history in full detail for each ledger account. And the system’s analytical feature flags the origin of each transaction so that reports or MS-Excel sheets can be produced showing a trial balance with a columnar analysis by originating compartment.



FEATURES

Trax SPV and Securitisation Accounting™ has been designed for this particular branch of the finance industry from conception. It features chart of account independence - it functions perfectly with whichever chart the client may choose to use, including the Luxembourg standard PCN.

The Central Switchboard is a single-screen representation of all interconnected deals. This powerful tool is at the very heart of the TraxSPV Accounting system. It permits analytical and financial control throughout the life of all interlinked deals: bond issues or adjacent assets, loans, derivatives, and all connected fee types from deal creation, amendment, interest receipt, to NAV calculations, amortisation and liquidation. It scrolls dynamically to provide new position availability for additional deal and fee types. Specific functions allow automated increases and decreases of issues, loans and all linked derivatives. It automatically settles all connected fee operations thereby avoiding a large number of tedious manual operations.

Interest Maturity / Liquidation Ledger - All of the note and derivative interest and maturity dates are managed via an automated maturity ladder which follows the life of the securitisation operations from issue, through payment and receipt of interest to liquidation. Related deal fee liquidation is no longer undertaken through the nominal ledger but rather via the deal mechanism which renders the system more robust and facilitates control. Moreover, all of these operations may be processed in batches by ISIN code or by date or may be processed separately.

The NAV Module - NAV calculation and booking of accrued interest, values, FX, amortization and provisions is undertaken by ISIN, by tranche, by deal type and by fee type. The NAV screen now offers a new overview of all operations and allows the user to see and recall any of the listed NAV transactions. All of these NAV bookings are now dynamically linked to the main Switchboard through an enhanced deal mechanism. The NAV may be calculated and recalculated any number of times to accommodate adjustments and additions, and at any date throughout the history of the bookkeeping data.

Expense Allocation - the system includes an automated cross-compartment allocation of expense function. Allocation may be calculated and booked based upon equal redistribution, a pre-defined formula, or upon manually entered percentages. Individual expense items may be selected and deselected or and processed according to the appropriate method. Simulation possibilities are provided by post-process removal, selection and process storage.

Equalisation - a new feature added is automated cross-compartment equalisation functionality. At the end of each period and after NAV has been calculated compartmental gains and losses are reduced to zero and corresponding provisions are created automatically in the individual compartments.

IFRS and Lux-GAAP - the system can be parameterized to respect the different approaches required by IFRS and Lux-GAAP. You may switch between accounting methods through storing versions or by posting specific analytical bookkeeping batches. You retain the possibility of switching back and forth between IFRS and Lux-GAAP. Switching is achieved by applying a specific accounting procedure in order to accommodate alternative accounting standards, including the amortization of specific fees.

Re-Opening is fully automatic and provides all the various parameters and analytical levels stored at closing.

TECHNOLOGY

The program uses Microsoft .NET technology for the front-end and MS-SQL Server for the database. Building this latest version we concentrated on robustness, reliability, interconnectivity (powerful Excel interface) and expandability. Installation can be on client premises, or the program can be operated remotely.

Data Integrity and Security: Data integrity rules and constraints are built into the relational SQL database and are enforced at 'data entry time' in the application to ensure that all data is complete and all fields conform to a consistent, validated format.

Reporting Flexibility: If your reporting needs require more complex data modelling and formatting, or more robust nested queries, then our integrated SQL Server Reporting Services offers the right approach. Embedded Dynamic Grid controls and SQL Server Analysis Services far exceed the possibilities of pre-designed reports and are well-suited to 'ad-hoc' reporting and more advanced business intelligence.

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