

# SUPPORT CONNECT KNOWLEDGE SERIES

Augment Your Problem-solving Capability

JULY | EDITION 126



Welcome to the Finacle Global Support fortnightly knowledge bulletin! We're here to offer solutions for common challenges, share valuable tips, provide knowledge bytes, and keep you updated. Each edition is meticulously curated to ensure we share best practices and known resolutions. In this issue, you'll find the following articles:

- **Future Dated Revaluation**
- **Adaptive Authentication and Arcot EFRM (Enterprise Fraud Risk Management) Integration**

So, let's start reading!

## Future Dated Revaluation

*Product: Finacle Core | Version: 10.x and above*

Revaluation is the process used by banks to determine the notional profit or loss arising from foreign currency holdings over a specified period. Since banks maintain multiple accounts in various currencies, it is essential to calculate the holding rate for different currency pairs accurately. This enables the bank to assess the impact of exchange rate fluctuations on its foreign currency positions.

**Future Revaluation** operates similarly to the standard revaluation process but uses a future exchange rate to estimate potential profit or loss on foreign currency transactions before their actual value date.

### Key aspects include:

- The revaluation is performed using the **Revaluation Future Rate**, which is configured through the **HCYCM (10.x)/ MCCDS (11.x)** parameter.
- **Profit and Loss (P&L)** entries generated by future revaluation are posted as value-dated transactions, aligning accounting records with the projected date.
- Transactions between the **Trading Account** and **Revaluation P&L Account** are mirrored by entries between:
  - **FWD P&L Provision Account** (Placeholder)
  - **FWD Exchange P&L Income Account** (Placeholder)

This setup is managed within **HSCFM (10.x)/ MBLD (11.x)**

- These mirror transactions provide continuous tracking of the unrealized Future Revaluation P&L as on date.
- Till the maturity of the transaction, mirror transactions will be reversed, and new transactions will be created daily

### Example:

Suppose the BOD date is 01-07-2025, and during revaluation for a future date of 15-07-2025, the system calculates a total notional profit of Rs. 200.

Transactions Created: Value Date: 15-07-2025

DR Trading Account (INR) Rs. 200

CR P&L Account (INR) Rs. 200

This entry reflects the expected profit on the future date.

To represent this profit as of the current BOD (01-07-2024), the system creates the following mirror transaction:

Value Date: 01-07-2025 (BOD)

DR FWD-PROV Account (INR) Rs. 200

CR FWD-PNL Account (INR) Rs. 200

This mirror transaction does not affect actual balances but serves to report the unrealized profit or loss as of the current date, corresponding to the future transaction.

Additional Details:

- The **Future Position Revaluation History (FPRH)** table stores these profit or loss entries, maintaining a historical record for audit and reporting purposes.
- Each BOD, entries in these accounts are reversed to remove amounts that become effective on that date. This reversal process is automated through the batch program **RERVLTX** (BABX4490).
- The **RERVLTX** (BABX4490) batch job should be scheduled immediately before the **FUBALM** (BABX4489) batch job, which moves future amounts into the account balance.

### Adaptive Authentication and Arcot EFRM (Enterprise Fraud Risk Management) Integration

*Product: Finacle Online Banking | Version: 11.0.8 onwards*

FEBA has the capabilities to integrate with "**Arcot RiskFort**" (Third party advanced authentication and fraud prevention system) to secure the user log in and authentication. The endpoint requests for a certified version of **ARCOT** are implemented in the product.

#### Online Banking Functional Behaviour:

For adaptive authentication for login/ transaction to Finacle Online Banking, a user must be enrolled with RiskFort. Finacle Online Banking user logs into the application, RiskFort system validates if the user exists in the system. Application collects information required by RiskFort that will be used for analyzing risk – Device information, User system information, IP Address, ISP etc. In case the user is not yet "**known**" to the RiskFort system, the **ALERT** advice is generated, for which Online Banking will make an explicit call to RiskFort for user creation. If the call is successful then, RiskFort creates the user in the database. With this, user is enrolled with RiskFort.

When **ARCOT** enrolled user logs into Online Banking, application will forward request to Arcot for risk analysis and based on the outcome RiskFort will calculate the risk score and respond with advice – **ALLOW**, **DENY** or **INCREASEAUTH**. Properties mentioned below are available in product to enable and disable adaptive authentication from at login and transaction authorization.

**ADAPTIVE\_AUTH\_ENABLED** - This property is used to enable Adaptive Authentication at an application level.

**ADAPTIVE\_AUTH\_ENABLED\_TXN** - Indicates if adaptive authorization is required

Configuration file **AdaptiveAuthentication.properties** are included in the product setup with various configurations for Arcot and Adaptive authentication.

The FEBA functionality based on Arcot advice is described below.

|   |  |
|---|--|
| 1 | <b>Allow login:</b> If the received user data is assigned a low score after rule execution by RiskFort (based on the incoming data and the data stored for this user or device), then the advice from RiskFort is <b>ALLOW</b> . User logs into the default landing page.  |
| 2 | <b>Deny login:</b> If the received user data is assigned a high score after rule execution (based on the incoming data and the data stored for this user or device), then the advice is <b>DENY</b> . In this case an error message " <b>Login not allowed. Please contact Customer Care for more details</b> " is displayed   |
| 3 | <b>Increase Authentication:</b> If RiskFort flags the login as suspicious (based on the rules set in RiskFort) then the advice is <b>INCREASEAUTH</b> . This implies that extra credentials are required to help further authenticate the user. In this case, secondary authentication needs to be performed by the e-Banking application. Once the secondary authentication is successful, user will be allowed to login. |

The revamped Finacle Support Center is now accessible through these URLs. Bookmark them for easy access and login!

- **Customer Access and Login:** <https://support.finacle.com>
- **Finacle Knowledge Center** - <https://docs.finacle.com/en/signin>

What would like to learn about?  
Write to us:  
[finaclesupport@edgeverve.com](mailto:finaclesupport@edgeverve.com)

Infosys® |  Finacle

Better Inspires Better  
[www.finacle.com](http://www.finacle.com)