SAP Best Practices

SAP

EHP4 for SAP ERP 6.0

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English

Money Market (Y20)

Building Block Configuration Guide

Copyright

Icons

Icon	Meaning
⚠	Caution
🗨	Example
💡	Note
🧭	Recommendation
SYN	Syntax

Typographic Conventions

Type Style	Description
Example text	Words or characters that appear on the screen. These include field names, screen titles, pushbuttons as well as menu names, paths and options.
	Cross-references to other documentation.
Example text	Emphasized words or phrases in body text, titles of graphics and tables.
EXAMPLE TEXT	Names of elements in the system. These include report names, program names, transaction codes, table names, and individual key words of a programming language, when surrounded by body text, for example, SELECT and INCLUDE.
Example text	Screen output. This includes file and directory names and their paths, messages, source code, names of variables and parameters as well as names of installation, upgrade and database tools.
EXAMPLE TEXT	Keys on the keyboard, for example, function keys (such as F2) or the ENTER key.
Example text	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example text>	Variable user entry. Pointed brackets indicate that you replace these words and characters with appropriate entries.

Content

Money Market: Configuration Guide

1 Purpose

Money market transactions are used for short-term to medium-term investments and for borrowing liquid funds.

The money market area is a subcomponent of the transaction manager, and is closely integrated with other components.

You can implement cash management decisions in the money market area based on the liquidity surplus or deficit determined in cash management. The system records the impact transactions have on the liquidity of a company by value date for each flow in cash management.
To do this, the data from the money market is automatically transferred to cash management. This integration simplifies the work processes involved in transaction management, from entering potential transactions through to the related accounting activities. The money market area comprises functions for period-based accrual/deferral, key date valuation, and foreign currency valuation as well as for disclosing profits and losses.

The money market area is also closely linked to the Financial Accounting (FI) component because all data relevant for posting in the money market area is automatically transferred to FI.

2 Prerequisites

Enhancement package 4 for SAP ERP 6.0 must be installed. The following Enterprise Extensions need to be activated:

EA-FIN	Financial Extension
EA-FS	Financial Services

Also, the following business functions need to be activated:

FIN_TRM_LR_FI_AN	TRM: Hedge Management, New Instruments, New Key Figures
FIN_TRM_LR_FI_AN_2	TRM: Hedge and Exposure Management, SWIFT

Before you start installing this scenario, you must install prerequisite building blocks. For more information, see the *Building Block Prerequisites Matrix for the SAP Treasury and Risk Management Rapid-Deployment Solution*.

3 Configuration

The configuration of the money market building block starts with the flow types since configuration of the product types and transaction types is related to the Credit Risk Analyzer and is therefore documented in the corresponding configuration guide.

3.1 Flow Types

Flows describe various cash flows arising from transaction conclusion. They are classified through flow types that you define in Customizing.

The sum of all transaction flows forms the basis for generation of the cash flows. They also form the basis for updating transactions in FI and cash management and for analysis in market risk management.

Possible flow types include interest rates, repayments, principal increases, and commissions.

3.1.1   Define Flow Types

Use

In this Customizing activity, you define, the flow types you require for your transactions. A flow type must be defined for all possible flows in a transaction so that they can later be assigned.

To the flow types, you need to assign:

- A classification

- A flow category

- A calculation category

The classification divides the flow types according to business criteria. The flow category allows the system to interpret the settings. The calculation category determines the representation in the cash flow.

In this Customizing activity, you configure the settings that determine whether the flows are to be updated in cash management and FI. At the same time, settings that determine whether the flows are to be updated in cash management and FI (that is, they are cash forecast and posting relevant), are made in this step. This makes it possible to consider data for valuation, accruals/deferrals and display in the drilldown reporting tool.

You also define whether the flow is to be considered for the effective interest rate calculation. Furthermore, you can establish whether payment requests and individual payments should be possible for certain flows.

- Flow types can be used in drilldown reporting. In the drilldown reporting tool, you can choose a display in the reports that subdivides the position and income-relevant amounts separately. To control which flow is considered in which amount, you must also configure the relevant settings here.

- Flow types also control the effective interest rate calculation. There are three different effective interest calculation categories, and all flows flagged with the corresponding indicator are included in the calculation for that category. Only the first category, effective interest rate calculation, is used for evaluations in the money market area in treasury management. SAP Banking uses all three categories.

- Payment requests enable you to initiate payments with an enhanced payment program. To do this, payment details must be maintained correspondingly in the transaction. You must specify for individual payments whether this flow can be settled together with others or whether it must be processed individually.

Procedure

1. Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Flow Types → Define Flow Types*
Transaction Code	SPRO

2. On the *Change View "Money Market: Flow Types" Overview* screen, choose *New Entries.*

3. On the *New Entries* screen, make the following entries:

F Type	YT07	YT09	YT02	YT03	YT10	YT11	YT12	YT13
Name	Increase	Decrease	Interest income tax	Reunification tax (Germany)	Final repayment	Installment repayment	Annuity repayment	Nominal interest
Class	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics	Structure charac-teristics
Cat	10	11	90	90	12	13	14	20
Name	Principal increase	Principal decrease	Other flow/ condition	Other flow/ condition	Final repayment	Installment repayment	Annuity repayment	Nominal interest
FiMa	AA	SS	TF	TF	TTEN	TTRA	TTAN	TZ
Calcu-lation Type	Inflow (generic)	Outflow (generic)	Fixed amounts	Fixed amounts	Final repayment	Installment repayment	Annuity repayment	Nominal interest
Po	X	X	X	X	X	X	X	X
CM	X	X	X	X	X	X	X	X
P								
PL								
Va	X	X			X	X	X	
AD								X
EI	X	X	X	X	X	X	X	
IEI								
CEI								
PR	X	X	X	X	X	X	X	X
IP								
AI								

4. Save your entries.

The following settings are provided in the standard configuration. Check for completeness.

F Type	1905	1906
Name	Withholding tax 1 (for example, state)	Withholding tax 2 (for example, region)
Class	Structure characteristics	Structure characteristics
Cat	90	90
Name	Other flow/condition	Other flow/condition
FiMa	TF	TF
Calculation Type	Fixed amounts	Fixed amounts
Po	X	X
CM	X	X
P		
PL	X	X
Va		
AD		
EI		
IEI		
CEI		
PR		
IP		
AI		

3.1.2   Assign Flow Types to Transaction Type

Use

In this Customizing activity, the flow types are assigned to each product type at transaction type level. This is necessary to fully portray a financial product.

Procedure

1. Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Flow Types → Assign Flow Types to Transaction Type*
Transaction Code	SPRO

2. On the *Change View "Money Market: Allocation of Flow Types to Transaction Type": Overview* screen, choose *New Entries*.

3. On the *New Entries* screen, make the following entries:

Prod. Type	Name of Product Type	Trans.Type	Name of Trans. Type	Flow Type	Name of Flow Type
Y10	Fixed-term deposit: Ext.	Y00	Investment	1905	Withholding tax 1 (for example, state)
Y10	Fixed-term deposit: Ext.	Y00	Investment	1906	Withholding tax 2 (for example, region)
Y10	Fixed-term deposit: Ext.	Y00	Investment	YT02	Interest income tax
Y10	Fixed-term deposit: Ext.	Y00	Investment	YT03	Reunification tax (Germany)
Y10	Fixed-term deposit: Ext.	Y00	Investment	YT07	Increase
Y10	Fixed-term deposit: Ext.	Y00	Investment	YT09	Decrease
Y10	Fixed-term deposit: Ext.	Y01	Borrowing	YT07	Increase
Y10	Fixed-term deposit: Ext.	Y01	Borrowing	YT09	Decrease
Y11	Fixed-term deposit: Int.	Y00	Investment	YT07	Increase
Y11	Fixed-term deposit: Int.	Y00	Investment	YT09	Decrease
Y11	Fixed-term deposit: Int.	Y01	Borrowing	YT07	Increase
Y11	Fixed-term deposit: Int.	Y01	Borrowing	YT09	Decrease
Y20	Interest rate instrument: Ext.	Y00	Investment	1905	Withholding tax 1 (for example, state)
Y20	Interest rate instrument: Ext.	Y00	Investment	1906	Withholding tax 2 (for example, region)
Y20	Interest rate instrument: Ext.	Y00	Investment	YT02	Interest income tax
Y20	Interest rate instrument: Ext.	Y00	Investment	YT03	Reunification tax (Germany)
Y20	Interest rate instrument: Ext.	Y00	Investment	YT07	Increase
Y20	Interest rate instrument: Ext.	Y00	Investment	YT09	Decrease
Y20	Interest rate instrument: Ext.	Y01	Borrowing	YT07	Increase
Y20	Interest rate instrument: Ext.	Y01	Borrowing	YT09	Decrease
Y21	Interest rate instrument: Int.	Y00	Investment	1905	Withholding tax 1 (for example, state)
Y21	Interest rate instrument: Int.	Y00	Investment	1906	Withholding tax 2 (for example, region)
Y21	Interest rate instrument: Int.	Y00	Investment	YT07	Increase
Y21	Interest rate instrument: Int.	Y00	Investment	YT09	Decrease
Y21	Interest rate instrument: Int.	Y01	Borrowing	YT07	Increase
Y21	Interest rate instrument: Int.	Y01	Borrowing	YT09	Decrease

3.1.3   Derived Flows

In the transaction management area of the system, you can generate additional flows automatically based on an original flow. You do this by defining derivation procedures and then assigning rules to each procedure. The rules determine how one flow is generated from another.

⚠️

To apply a derivation procedure when a transaction is created, you need to assign the derivation procedure to a business partner. You make this assignment in the business partner master data using the function *Standing Instructions: Derived Flows*. For more information, see the Business Process Documentation for the building block *Maintain Business Partner (Y13)*, section *Maintain Derived Flows*.

3.1.3.1   Define Derivation Procedures and Rules

Use

Procedure

1.   Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Flow Types → Derived Flows → Define Derivation Procedures and Rules*
Transaction Code	SPRO

2.   On the *Change View "Derivation procedures": Overview* screen, choose the *Derivation Procedures* folder.

3.   Choose *New Entries*, and on the *New Entries* screen, make the following entries:

Deriv. Proc.	Long Name
YTAX	Interest income tax

4.   Save your entries.

5.   Select the line with the derivation procedure you created and double-click the *Derivation Rules* folder.

6.   On the *Change View "Derivation Rules": Overview* screen, choose *New Entries.*

7.   On the *New Entries* screen, make the following entries:

Der. Proc.	Effective From	Orig. Flow Type	Orig. Direction	Derived Flow Type	Derived Direction	Percentage Rate	Proc.	Rdg Rule	Positio
YTAX	01.01.2000	YT13	+	YT02	-	25,00			
YTAX	01.01.2000	YT02	-	YT03	-	5,50			

8. Save your entries.

3.2 Update Types

Update types contain information about flows to accounting, and the securities and futures account management of the transaction manager.

You create all update types in the Customizing activity *Define Update Types and Assign Usages*. You do this by entering a short and long description for the update type and subsequently assigning it to usages.

For some usages, you need to maintain specific information for the update types in various Customizing activities. This information is required to process the update types for particular usages. You may also want to define and assign additional update types (for example, with alternative account determination settings).

In a further step, some update types are linked to flow types. While flow types are mainly relevant in cash flow reporting, update types are relevant for building accounting schemes. There are two mediums because older releases did not include update types.

3.2.1   Define Update Types and Assign Usages

Use

In this Customizing activity, you define all the update types that are required to manage the positions in the parallel valuation areas.

Procedure

1. Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Update Types → Define Update Types and Assign Usages*
Transaction Code	SPRO

2. On the *Change View "Define Update Types": Overview* screen, choose the *Define Update Types* folder.

3. Choose *New Entries*, and on the *New Entries* screen, make the following entries:

Update Type	Update Type Text
YT502-	Interest income tax
YT503-	Reunification tax (Germany)
YT507+	Borrowing/increase
YT507-	Investment/increase
YT509+	Investment/decrease
YT509-	Borrowing/decrease
YT510+	Investment/final repayment
YT510-	Borrowing/final repayment

Update Type	Update Type Text
YT511+	Investment/installment repayment
YT511-	Borrowing/installment repayment
YT512+	Investment/annuity repayment
YT512-	Borrowing/annuity repayment
YT513+	Investment/nominal interest
YT513-	Borrowing/nominal interest

4. Save your entries.

The following settings are provided in the standard configuration. Check for completeness.

Update Type	Update Type Text
AD1000	Accruals: Revenue
AD1001	Reset Accruals: Revenue
AD1002	Accruals: Expenses
AD1003	Reset Accruals: Expenses
AD1004	Accruals – Difference Procedure: Revenue
AD1005	Accruals – Difference Procedure: Expenses
AD1010	Deferrals: Revenue
AD1011	Reset Deferrals: Revenue
AD1012	Deferrals: Expenses
AD1013	Reset Deferrals: Expenses
AD1014	Deferrals – Difference Procedure: Revenue
AD1015	Deferrals – Difference Procedure: Expenses
MM1905-	Withholding tax 1 (for example, state)
MM1906-	Withholding tax 2 (for example, region)

5. On the *Change View "Define Update Types": Overview* screen, choose *Assign Update Types to Usages.*

6. Choose *New Entries*, and on the *New Entries* screen, make the following entries:

Use of Update Type	Text for Use of an Update Type	Update Type	Update Type Text
1	Transaction Management	YT502-	Interest income tax
1	Transaction Management	YT503-	Reunification tax (Germany)
1	Transaction Management	YT507-	Investment/increase
1	Transaction Management	YT507+	Borrowing/increase
1	Transaction Management	YT509-	Borrowing/decrease
1	Transaction Management	YT509+	Investment/decrease

Use of Update Type	Text for Use of an Update Type	Update Type	Update Type Text
1	Transaction Management	YT510-	Borrowing/final repayment
1	Transaction Management	YT510+	Investment/final repayment
1	Transaction Management	YT511-	Borrowing/installment repayment
1	Transaction Management	YT511+	Investment/installment repayment
1	Transaction Management	YT512-	Borrowing/annuity repayment
1	Transaction Management	YT512+	Investment/annuity repayment
1	Transaction Management	YT513-	Borrowing/nominal interest
1	Transaction Management	YT513+	Investment/nominal interest

7. Save your entries.

The following settings are provided in the standard configuration. Check for completeness.

Use of Update Type	Text for Use of an Update Type	Update Type	Update Type Text
1	Transaction Management	MM1905-	Withholding tax 1 (for example, state)
1	Transaction Management	MM1906-	Withholding tax 2 (for example, region)

3.2.2   Assign Flow Types to Update Types

Use

In this Customizing activity, you assign the corresponding update types to the flow types in the money market, foreign exchange, securities, and derivatives areas for updating the transaction data to the parallel valuation areas.

Procedure

1. Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Update Types → Assign Flow Types to Update Types*
Transaction Code	SPRO

2. On the *Change View "Assignment of Business Flow Type to Update Type": Overview* screen, choose *New Entries.*

3. On the *New Entries* screen, make the following entries:

Contract Type	Flow Type	Name	Direction	Update Type	Update Type Text
Money Market	YT02	Interest income tax	-	YT502-	Interest income tax
Money Market	YT03	Reunification tax (Germany)	-	YT503-	Reunification tax (Germany)
Money Market	YT07	Increase	-	YT507-	Investment/increase
Money Market	YT07	Increase	+	YT507+	Borrowing/increase
Money Market	YT09	Decrease	-	YT509-	Borrowing/decrease
Money Market	YT09	Decrease	+	YT509+	Investment/decrease
Money Market	YT10	Final repayment	-	YT510-	Borrowing/final repayment
Money Market	YT10	Final repayment	+	YT510+	Investment/final repayment
Money Market	YT11	Installment repayment	-	YT511-	Borrowing/installment repayment
Money Market	YT11	Installment repayment	+	YT511+	Investment/installment repayment
Money Market	YT12	Annuity repayment	-	YT512-	Borrowing/annuity repayment
Money Market	YT12	Annuity repayment	+	YT512+	Investment/annuity repayment
Money Market	YT13	Nominal interest	-	YT513-	Borrowing/nominal interest
Money Market	YT13	Nominal interest	+	YT513+	Investment/nominal interest

4. Save your entries.

The following settings are provided in the standard configuration. Check for completeness.

Contract Type	Flow Type	Name	Direction	Update Type	Update Type Text
Money Market	1905	Withholding tax 1 (for example, state)	-	MM1905-	Withholding tax 1 (for example, state)
Money Market	1906	Withholding tax 2 (for example, region)	-	MM1906-	Withholding tax 2 (for example, region)

3.3 Condition Types

Condition types automatically generate flows that are the basis for further processing in FI and cash management, as well as for analysis in market risk management. The time and amount structure has to be assigned to the various financial transactions, which are represented in treasury management through condition types. Examples of condition types include interest, repayment, and commission.

3.3.1 Define Condition Types

Use

In this Customizing activity, you define the condition types required for your product types.

Assign the time and amount structure to the various financial transactions you want to represent in treasury management with condition types.

To your condition types, you assign:

- A classification

- A condition category

- A flow type

The classification divides the condition types according to business criteria. You restrict the possible condition categories with the chosen classification. Condition categories allow the system to interpret and process your settings.

Procedure

1. Access the activity by choosing the following path:

IMG Path	Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Condition Types → Define Condition Types

2. On the *Change View "Assignment of Business Flow Type to Update Type": Overview* screen, choose *New Entries*.

3. On the *New Entries* screen, make the following entries:

Condition Type	Name (Short)	Condition Type Text	Name (Long)	Classification	Condition Category	Calcu-lation Cate-gory	Generated FITy
9010	Final repmnt	Final repayment	Final repayment	Structure characteristics	12	TTEN	YT10
9011	Instlmnt repmnt	Instalment repayment	Instalment repayment	Structure characteristics	13	TTRA	YT11
9012	Annuity repayt	Annuity repayment	Annuity repayment	Structure characteristics	14	TTAN	YT12
9013	Nominal	Nominal	Nominal	Structure	20	TZ	YT13

Condition Type	Name (Short)	Condition Type Text	Name (Long)	Classification	Condition Category	Calcu-lation Cate-gory	Generated FITy
	int.	interest	interest	characteristics			

4. Save your entries.

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The following settings are provided in the standard configuration. Check for completeness.

Condition Type	Name (Short)	Condition Type Text	Name (Long)	Classification	Condition Category	Calcu-lation Cate-gory	Generated FITy
1150	Int. capital	Interest capital.	Interest capitaliz-ation	Structure characteristics	15	VZ	1150
1210	Int. adjust-ment	Int. rate adjust-ment	Interest rate adjustment	Structure characteristics	21	ZA	-

3.3.2   Assign Condition Types to Transaction Type

Use

In this Customizing activity, you assign the necessary condition types to each product type at transaction type level. This is to represent a financial product fully in the system.

Procedure

1. Access the activity by choosing the following path:

IMG Path	*Financial Supply Chain Management → Treasury and Risk Management → Transaction Manager → Money Market → Transaction Management → Update Types → Assign Flow Types to Update Types*
Transaction Code	SPRO

2. On the *Change View "Money Market: Allocation of Condition Types to Transaction Type" Overview* screen, choose *New Entries.*

3. On the *New Entries* screen, make the following entries:

Product Type	Name	Trans.Type	Name of Transaction Type	Cond. Type	Name of Condition Type
Y10	Fixed-term deposit: External	Y00	Investment	9010	Final repayment
Y10	Fixed-term deposit: External	Y00	Investment	1150	Interest capitalization

Product Type	Name	Trans.Type	Name of Transaction Type	Cond. Type	Name of Condition Type
Y10	Fixed-term deposit: External	Y00	Investment	9013	Nominal interest
Y10	Fixed-term deposit: External	Y01	Borrowing	9010	Final repayment
Y10	Fixed-term deposit: External	Y01	Borrowing	1150	Interest capitalization
Y10	Fixed-term deposit: External	Y01	Borrowing	9013	Nominal interest
Y11	Fixed-term dep: Internal	Y00	Investment	9010	Final repayment
Y11	Fixed-term dep: Internal	Y00	Investment	1150	Interest capitalization
Y11	Fixed-term dep: Internal	Y00	Investment	9013	Nominal interest
Y11	Fixed-term dep: Internal	Y01	Borrowing	9010	Final repayment
Y11	Fixed-term dep: Internal	Y01	Borrowing	1150	Interest capitalization
Y11	Fixed-term dep: Internal	Y01	Borrowing	9013	Nominal interest
Y20	Interest rate instrument: Ext.	Y00	Investment	9010	Final repayment
Y20	Interest rate instrument: Ext.	Y00	Investment	9011	Installments
Y20	Interest rate instrument: Ext.	Y00	Investment	9012	Annuity
Y20	Interest rate instrument: Ext.	Y00	Investment	1150	Interest capitalization
Y20	Interest rate instrument: Ext.	Y00	Investment	9013	Nominal interest
Y20	Interest rate instrument: Ext.	Y00	Investment	1210	Int. rate adj.
Y20	Interest rate instrument: Ext.	Y01	Borrowing	9010	Final repayment
Y20	Interest rate instrument:	Y01	Borrowing	9011	Installments

Product Type	Name	Trans.Type	Name of Transaction Type	Cond. Type	Name of Condition Type
	Ext.				
Y20	Interest rate instrument: Ext.	Y01	Borrowing	9012	Annuity
Y20	Interest rate instrument: Ext.	Y01	Borrowing	1150	Interest capitalization
Y20	Interest rate instrument: Ext.	Y01	Borrowing	9013	Nominal interest
Y20	Interest rate instrument: Ext.	Y01	Borrowing	1210	Int. rate adj.
Y21	Interest rate instrument: Int.	Y00	Investment	9010	Final repayment
Y21	Interest rate instrument: Int.	Y00	Investment	9011	Installments
Y21	Interest rate instrument: Int.	Y00	Investment	9012	Annuity
Y21	Interest rate instrument: Int.	Y00	Investment	1150	Interest capitalization
Y21	Interest rate instrument: Int.	Y00	Investment	9013	Nominal interest
Y21	Interest rate instrument: Int.	Y00	Investment	1210	Int. rate adj.
Y21	Interest rate instrument: Int.	Y01	Borrowing	9010	Final repayment
Y21	Interest rate instrument: Int.	Y01	Borrowing	9011	Installments
Y21	Interest rate instrument: Int.	Y01	Borrowing	9012	Annuity
Y21	Interest rate instrument: Int.	Y01	Borrowing	1150	Interest capitalization
Y21	Interest rate instrument: Int.	Y01	Borrowing	9013	Nominal interest
Y21	Interest rate instrument: Int.	Y01	Borrowing	1210	Int. rate adj.

4. Save your entries.