



This is not an UNCTAD official document.

Distribution : General

DMFAS INFORMATION NOTE NO.1

RELEASE OF VERSION 5.3

This is the first issue of the DMFAS Information Note. Its purpose is to inform existing DMFAS users about recent developments regarding the products and services of UNCTAD’s Debt Management – DMFAS Programme. The Note is produced in addition to the DMFAS newsletter and other DMFAS documentation and will be distributed by e-mail whenever we have important news to announce. It will also be posted on our website at www.unctad.org/dmfas. We hope you will appreciate this new service and look forward to receiving your feedback.

IN THIS ISSUE :

New functional features of DMFAS 5.3.....	2
New technical features of DMFAS 5.3	4
Issues related to the Release	5

Important efforts have been undertaken to produce a new version of DMFAS, which will be officially released at the end of 2003. This new version, DMFAS 5.3, has been designed and developed to reflect changes requested by the users themselves. This has been done in coordination with other international institutions. It also takes into account the general evolution of the financial markets as well as developments in information technology. DMFAS 5.3 is, therefore, the result of technical and functional enhancements required for modern debt-management software.

One of the primary improvements made to this latest version of the system is that it now gives increased emphasis to capital market instruments through its enhanced bonds module. DMFAS 5.3 also includes a module for managing the debt reorganization process within the framework of the Paris Club as well as a new coding scheme and new reporting facilities. Furthermore, DMFAS 5.3 includes new calculation methods and a special functionality to treat sub-national government debt among other new features. These are listed below.

New functional features of DMFAS 5.3

Bonds

The new bonds module is designed to handle concepts typical for bonds, such as yields, discounts, average price, capitalized interest, as well as bi-monthly and weekly payments. For this, new algorithms have been introduced based on years of 366 or 364 days, semesters of 182 days and quarters of 91 days. The system also contains new periodicity codes (bi-monthly, weekly), a facility for the calculation of interest using a reference date¹ and new reports which, for example, take into account the different ways that some countries show their debt figures, i.e. sometimes including the discount amount as anticipated interest and sometimes not.

Reporting & Statistics

In the enhanced reporting facility a set of standard reports has been included. These reports are organized by type, e.g. Data Validation, Debt Status, Statistical Bulletin, Reorganization, Revolving Credits, World Bank and Others. All new reports in DMFAS 5.3 can be exported to Excel. In the User Defined Reports facility, the user will now have the possibility of including data other than debt totals, by selecting the relevant loan and tranche codes. The reporting facilities of DMFAS 5.3 also offer the possibility of including several sets in one report, an option that in particular will facilitate the production of present value scenarios. Other improvements include the possibilities of adding user-defined column titles, of segregating reports based on transaction “medium” (cash, kind, reorganization etc.) and of producing reports required by the GDDS, SDDS and the new IMF Debt Statistics Guide for Compilers and Users. Finally, the enhanced reporting facility has a set of standard data validation reports. The titles of these are:

- No coherence between international organization and financing source
- Institution type and creditor name.
- Credit terms and financing source
- International organization loans with one tranche.
- Drawing limit date more than 3 months in the past.

Revised Classification and Coding System

DMFAS 5.3 features a revised classification and coding system. This revision has been necessary in order to improve the standardization of the production of debt statistics and, in particular to conform to the nomenclatures and standards required by the *External Debt Statistics Guide: Guide for Compilers* as well as the requirements of the IMF’s *Special - and General Data Dissemination Standards*.

¹ Usually applied to staggered issues where the interest calculation date remains the initial one for the issue although “sub-issues” take place after this date.

Local Government Debt

A new functionality has been designed to facilitate the recording of – and reporting on – debt instruments with common characteristics applied by sub national entities. The new functionality allows for the automatic calculation of interest on a daily basis. It also handles daily payments of principal and interest through a new periodicity code. Furthermore, it handles the relationship between the debt instruments and funds made up of local governments revenues – such as taxes, royalties and other resources from the central government – which are used as a guarantee (collateral) of these instruments. The functionality allows for these funds to be automatically used – partly or fully – for debt service payments.

Capitalization of Interest and Differed Payments

A new functionality has been introduced to compute capitalized interest and differed payment. Capitalized interest is being treated as “dummy” disbursements and a whole set of new debt totals have been created for user-defined reporting. The user will be able to visualize on screen the reports that relate to the specific flows and stocks of these operations. This functionality also enables the user to manage capitalization in the same tranche or to create a new tranche if repayment conditions are different from those in the original tranche.

Reorganization

The enhanced reorganization module enables users to produce specific reports often required within the context of debt restructuring schemes, particularly for Paris Club negotiations. The new functionalities will aid in the evaluation of the impact of restructuring on the debt profile and in the simulation of the results of different renegotiation strategies.

Revolving Credit

This new module has been designed to record and manage different types of composite and simple revolving credit agreements. In addition to handling the fact that repayments are added to the available portion of the facility, the module also incorporates the possibility of linking payments to a special “revolving” fund used for the servicing of these agreements.

Asian Development Fund Loans

DMFAS 5.3 incorporates a new calculation method for improving the handling of loans from the Asian Development Fund (ADF). These loans are particular in the sense that the ADF calls back currencies as needed by them and multi-currency loans are therefore not paid in the “standard” way through the distribution of payments across all tranches. Instead, the ADF may ask the debtor to make the entire payment in one single currency and apply it to only the repayment tranche in that currency. The payment will therefore comprise several installments of the tranche. The new facility provides for an automatic re-distribution of future payments due across all tranches.

New technical features of DMFAS 5.3

These cover:

Security

New security features enabling entities (loans, bonds and grants) to be assigned for the exclusive use of individual users and groups. A new password management function allows for this.

Error Handling

An improved and uniform means of handling errors in the system, to meet both internal and external communication needs.

Automatic Updating of “Loan_tranches”

A transparent means of ensuring that the latest changes to the database are incorporated into subsequent reports without the need of executing a stand-alone procedure.

Extend Sequences Length

A new feature to extend the length of sequences in order to facilitate the distribution of system use over a number of organizations and to accommodate greater volumes of data as, for example, has been encountered with private debt.

Optimize the Generation of Reports

Principally this refers to user-defined reports. This new feature improves the speed of generating reports and eases maintenance.

Installation-Specific Sequences

Facilitate the creation of sequences specific to each installation for the sharing of data with other institutions, thus improving the data sharing support provided by the system.

New Export Facilities

A new feature for exporting loan-by-loan data to the DSM+. This enables the user to choose between selecting detailed or aggregated data for this purpose.

Merging and Copying of Tranches

Version 5.3 enables the user to merge and copy tranches.

Downloads of Exchange – and Interest Rates

New methods for exchange – and interest rate registry have been introduced and such rates can be downloaded from external sources.

Expansion of the Use of User-defined Fields

The new version has various new fields at the tranche level, drawings level and debt service operations level. This allows more flexibility to the user in order to customize the DMFAS installation without necessarily passing the request and intervention through UNCTAD.

Extension of Field Sizes

Certain field sizes have been extended to accommodate the following:

- *Interest rate.* The interest rate field has been expanded in the interest rate columns for normal interest (fixed and variable) and penalty interest applications. This is to accommodate the high interest rates being used (3 units), which particularly concerns domestic debt.
- *Amounts in the system.* Users frequently require additional units for fields that register amounts in local currency.
- *Extend percentages in the principal terms.* The number of decimal places in the principal payment terms has been extended due to the need by certain users to calculate payments using percentages up to 4 decimal places.

Oracle 9i

DMFAS 5.3 is adapted to the latest version of Oracle's database management system (Oracle 9i).

DMFAS 5.3 will run on a client-server or stand-alone PC configuration. It is not intended to run on the Web (Intranet or Internet). Facilities will be provided to migrate existing debt data from version 5.2 format to version DMFAS 5.3 format, which will require a minimum of manual intervention by the user.

Issues Related to the Release

When installing DMFAS 5.3, the debt database will need to be adapted to the new classification and coding system. Therefore, in order to prepare project activities, including the conversion of the database, the DMFAS programme will send a checklist to its user institutions in order to gather from them as much information as possible about their individual installations prior to the implementation of version 5.3. The checklist will include questions as to how they have applied the classification and coding system in DMFAS 5.2. The results of this investigation will then permit the DMFAS programme to provide assistance in the migration process to the new classification and coding system proposed under version 5.3, where needed.

Requirements

In order to facilitate the installation of DMFAS 5.3, it is highly recommended to already perform an update to DMFAS maintenance version 5.2.0.50, which was released in March of this year. This version is available in CD format and can be obtained by mail or downloaded over the internet (from the UNCTAD FTP server) along with installation instructions. This maintenance release, which also incorporates a good number of bug fixes as well as system enhancements, does not require any upgrades to equipment. For Windows 2000, a Developer Tools CD with patch 15 is furnished at no cost. To run the software, using Windows 2000 is recommended, whereas Windows XP should be avoided.

Maintenance Fee

The maintenance fee, introduced at the beginning of 2003, allows **existing** users to obtain DMFAS 5.3 as well as the maintenance version. This maintenance fee is currently set at US \$ 5000 per year per user institution. It is important to note that the fee is not intended to cover the cost of installation missions.

Installation & Training

For the introduction of version 5.3 it is required that a mission from UNCTAD's DMFAS team visit each country in order to assist with the implementation of the new coding and classification scheme mentioned above and to provide the corresponding training. If the country does not have an on-going project with UNCTAD that can cover this cost, it is important that the debt office starts making plans for how the upgrade may be funded.

Contacts

For all other information regarding required equipment, training and other implementation and contractual arrangements, please contact the DMFAS Programme directly at dmfas@unctad.org, tel: Tel: 41.22. 907 59 24, or write to:

Debt Management - DMFAS Programme
Division on Globalization and Development Strategies
UNCTAD
8-14 avenue de la Paix
CH 1211 Geneva 10
Switzerland
Fax: 41.22.907 00 45