

**Oracle® Financial Services Financial
Accounting and Reporting Standards
(IFRS and CECL)**

Release Notes

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Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL), 8.0.6.0.0

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Preface

This Preface provides supporting information for the Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack - Release 8.0.6.0.0 Release Notes and includes the following topics:

- Audience
- Documentation Accessibility
- Related Documents
- Conventions

Audience

This document is intended for users of Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Release 8.0.6.0.0.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

Related Documents

This section identifies additional documents related to Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Release 8.0.6.0.0. You can access Oracle documentation online from the [Oracle Help Center Documentation Library](#) (OHC).

- *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Pack Installation Guide Release 8.0.6.0.0*
- *Oracle Financial Services Analytical Applications Technology Matrix*
- *Oracle Financial Services Loan Loss Forecasting and Provisioning (OFS LLFP) User Guide Release 8.0.6.0.0*

- *Oracle Financial Services Hedge Management and IFRS Valuations (OFS HM) User Guide Release 8.0.6.0.0*

Conventions

The following text conventions are used in this document:

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.
<i>italic</i>	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.
monospace	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.

Introduction to OFS Financial Accounting and Reporting Standards (IFRS and CECL) Pack

Oracle offers a unified IFRS 9 solution that is compliant with IASB's standards and features a modularized design approach. This allows for easier integration and enables financial institutions to leverage existing investments in data management and analytical applications. The International Financial Reporting Standards (IFRS) are a set of accounting standards that are being implemented by different countries across the world and which are gradually replacing the old International Accounting Standards (IAS). Their introduction heralds a major change in accounting procedures for financial institutions.

Product Features:

- Single, comprehensive IFRS solution with a common results area.
- Exhaustive techniques and models for expected credit loss reconciliation/attribution analysis and amortization of deferred balances.
- Common application infrastructure and data model/source.

OFS IFRS Pack includes the following applications:

1.1 Oracle Financial Services Loan Loss Forecasting and Provisioning (OFS LLFP)

International Financial Reporting Standards (IFRS) guidelines have set out new requirements on classification and measurement of financial assets and liabilities. It specifies two approaches for the measurement of assets namely Amortized Cost and Fair Value approach. The scope of Oracle Financial Services Loan Loss Forecasting and Provisioning is to focus only on the amortized cost approach.

1.2 Oracle Financial Services Hedge Management and IFRS Valuations (OFS HM)

To help financial institutions grow, manage risk, and optimize shareholder value, Oracle delivers a comprehensive, integrated suite of financial services analytical applications for enterprise performance management (EPM).

More than ever, financial institutions, their regulators as well as their shareholders are focused on the need to measure and meet risk-adjusted performance objectives, price products to reflect their true risk, and better understand how their institution is impacted by threats to liquidity, capital adequacy, and exposure to market rate volatility.

OFS Financial Accounting and Reporting Standards (IFRS and CECL) 8.0.6.0.0

Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Application Pack (OFS IFRS) Release 8.0.6.0.0 is a separately licensed product.

Patch 27574599 - OFS IFRS Pack Release 8.0.6.0.0 is cumulative of all enhancements and bug fixes done since 8.0.5.0.0 release.

Note: Release 8.0.6.0.0 of OFS IFRS is not fully backward compatible with earlier versions of OFSAA applications. You can either upgrade all of your applications from existing 8.0.x versions to 8.0.6.0.0 version or choose to upgrade only selective application packs to v8.0.6.0.0. In the case of the latter, you must also apply the forthcoming compatibility patches for the required application packs, so that the remaining application-packs can continue to be at their pre-8.0.6.0.0 versions.

This chapter includes the following topics:

- [New Features](#)
- [Prerequisites](#)
- [How to Apply this Minor Release?](#)
- [Post Installation Steps](#)
- [Bugs Fixed in this Release](#)
- [Known Issues/Limitations in This Release](#)

2.1 New Features

The features that are part of this release are detailed in the following sections:

2.1.1 Generic Features

2.1.1.1 General Data Protection Regulation Compliance for HM

- **Data Redaction:**

Using this approach users are provided access rights at the database level. Users with access rights will be able to view the PII data while the same will be redacted for users without access rights.

2.1.1.2 Enhanced UI

Both OFS LLFP and OFS HM applications in IFRS pack have enhanced UI which is intuitive with ALTA theme updates.

2.1.2 Oracle Financial Services Loan Loss Forecasting and Provisioning

OFS LLFP bundles the following new features in version 8.0.6.0.0:

- **Consideration of Collateral for ECL Computation**
 - **Collateral Value Based Method:** The Collateral Value Based (CVB) method enables allowance computation for collateral dependent assets as per CECL requirements.
 - **Mitigant Effect on ECL:** Mitigant Effect on Expected Credit Loss enables you to calculate the Effective Loss Given Default (ELGD). The ELGD is calculated as the product of LGD and Mitigant Effect.
- **Enhancement to Multiple Rating Treatment for IFRS 9 and CECL:** The OFS LLFP application enables you to set the rating preference through its UI.
- **Effective Interest Rate Computation for Purchased Credit Deteriorated (CECL)/Purchased or Originated Credit Impaired (IFRS 9) Instruments**
 - **CECL:** Effective Interest Rate is computed using Expected (Recovery) Cash Flows and Purchase Price adjusted for deferred balances. Additionally, the application computes non-credit discount.
 - **IFRS 9:** Credit Adjusted Effective Interest Rate is computed using Expected (Recovery) Cash Flows and Purchase Price adjusted for deferred balances. Additionally, the application computes non-credit discount.
- **Provision Computation for Instruments that are Conditionally Cancellable:** Allowance for off-balance sheet instruments is computed only for conditionally cancellable contracts.
- **Introduced New Disclosure Reports**
 - **IFRS 9**
 - Disclosure 35 K
 - Disclosure 35 J
 - **CECL**
 - New TDR Disclosure
 - Non Accrual Disclosure
 - Collateral Disclosure
 - Roll Forward Disclosure

For more information on these one-off patches, see the Readme files of respective releases from Patches & Updates tab in [My Oracle Support](#).

For detailed information on usage of the application features, see *Oracle Financial Services Loan Loss Forecasting and Provisioning User Guide* and *Oracle Financial Services Hedge Management and IFRS Valuations User Guide* Release 8.0.6.0.0 from [OHC Documentation Library](#).

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack 8.0.6.0.0 Readme* in [OHC Documentation Library](#).

2.1.3 Oracle Financial Services Hedge Management and IFRS Valuations

Following are the new features available as part of this release:

- **Forward Element in a Forward Contract:** The Fair Value of the Forward Contract is split into two parts as Spot Element and Forward Element. An option has been provided to choose either the entire Fair Value or just the Spot Element for Hedge Effectiveness.

For detailed information on usage of the application features, see *Oracle Financial Services Loan Loss Forecasting and Provisioning User Guide* and *Oracle Financial Services Hedge Management and IFRS Valuations User Guide* Release 8.0.6.0.0 from OHC Documentation Library.

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack 8.0.6.0.0 Readme* in OHC Documentation Library.

2.2 Prerequisites

The prerequisite software that must be installed for upgrading to this release are the following:

- OFS IFRS 8.0.5.1.0 Maintenance Level Release.

Note: The minimum patch-set level should be 8.0.4.0.0.

2.3 How to Apply this Minor Release?

For detailed instructions on installing this Minor Release, see *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Installation Guide* Release 8.0.6.0.0 in [OHC Documentation Library](#).

2.4 Post Installation Steps

Perform the post installation steps mentioned in the Post Installation Configuration section in *Oracle Financial Services Financial Accounting and Reporting Standards (IFRS and CECL) Installation Guide* Release 8.0.6.0.0 in [OHC Documentation Library](#).

2.5 Bugs Fixed in this Release

The bug numbers of the fixes as part of OFS IFRS Release 8.0.6.0.0 are the following:

2.5.1 Oracle Financial Services Loan Loss Forecasting and Provisioning

Table 2-1

Component	Sub Component	Bug Number	Subject
Analytics - Reporting and Dash		27776858	ADDITIONAL DISCLOSURES
Data Model		27658303	COLLATERAL BASED METHODS TO COMPUTE EXPECTED CREDIT LOSS
Data/Seeded Data related issue		27858893	COMMAND LINE RUN EXECUTION - SUPPORT MULTIPLE LEGAL ENTITIES
		27907722	FORWARDPORT BUG FOR 27520867 - CCF PERCENT: NOT MAPPED IN GUARANTEES
Engines/Bac kend Components		27776894	PCD AND POCI EIR
		27776924	HIGH LEVEL RECONCILIATION FOR CECL AND IFRS9
		27776977	AMORTIZED COST AND PROVISION CALCULATION FOR CECL
		27739307	RECONCILIATION UI TO BE ENHANCED FOR CECL AND IFRS 9 SCENARIO BASED RUNS
		27907826	FORWARDPORT BUG FOR 27793351 - FN_DT_IFRS9_REFRESH_RPT_MV ERROR
Metadata Configuration		27929227	FOWARD PORT BUG FROM 805 TO 806(Axis BANK ISSUES)
Others		28038433	GDPR COMPLIANCE

2.5.2 Oracle Financial Services Hedge Management and IFRS Valuations

Table 2-2

Component	Sub Component	Bug Number	Subject
Calculation Engine		27937954	DATA IS NOT POPULATED INTO FCT TABLE FOR FX CONTRACTS
		27922518	REDACTION POLICY IS NOT ENABLED ON STG INSTRUMENT TYPE TABLES
Install and Upgrade Issues		27945113	MODEL UPLOAD FAILS WHILE UPGRADING FROM IFRS 8051 TO 806
		27893023	ERROR:INVALID SQL TYPE IN OFS_IFRS LOG
		27880126	IE AND FIREFOX BROWSER: SEARCH TAB IS IS NOT WORKING FOR HM SCREENS
		27879875	D_ORIGINATION_DATE COLUMN IS GETTING DROPPED WHILE UPGRADING TO 8.0.6.0.0

Table 2–2

Component	Sub Component	Bug Number	Subject
User Interface	App Preferences	27922560	UNABLE TO SET DEFAULT HIERARCHY IN APPLICATION PREFERENCE
	FV Determination Run Definition	27880377	ALIGNMENT OF SEARCH IS NOT PROPER IN EXECUTE RUN SCREEN
		27917622	T2T FOR STG_FX_CONTRACTS IS NOT POPULATING DATA INTO FSI_D_FX_CONTRACTS

2.6 Known Issues/Limitations in This Release

The list of Limitations or Known Issues/Limitations in this release are the following:

2.6.1 Oracle Financial Services Loan Loss Forecasting and Provisioning

Table 2–3

Component	Sub Component	Bug Number	Subject
Data/Seeded Data related issue		28053872	OVERRIDING OF RECON IS NOT POSSIBLE WHEN SUMMARY,LOW LEVEL RECON IS PRESENT
User Interface		27963282	RIGHT TO FORGET: ACCOUNT NUMBERS ARE NOT RANDOMIZED IN MAKER/CHECKER UI
		28046349	MULTIPLE RATING UI - NOT ABLE TO SAVE THE DEFINITION

2.6.2 Oracle Financial Services Hedge Management and IFRS Valuations

Table 2–4

Component	Sub Component	Bug Number	Subject
User Interface		27881475	UNABLE TO MAP HEDGED/HEDGING ITEMS AFTER ENABLING DATA REDACTION
		27998326	DIM_ACCOUNT IS NOT GETTING UPDATED WITH THE RANDOMIZED VALUE
	FV Determination Run Definition	27949060	SUMMARY PAGE SUMMARY GRID: LAST RUN DATE BLANK, STATUS COLUMN NOT SORTABLE

