Oracle Banking Virtual Account Management
Release Notes
Release 14.3.0.0.0
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FINANCIAL SERVICES

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Version 14.3.0.0.0

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1. Release Notes

1.1 Background

Oracle Financial Services Software Limited has developed Oracle Banking Virtual Account Management (OBVAM), which enables banks to offer virtual account management services to their corporate customers. OBVAM supports application of virtual accounts in the areas of Receivable & Payable Management, Client Money Segregation, Liquidity Management and Receipt Identification.

1.2 Purpose

The purpose of this Release Note is to propagate the enhancements in OBVAM 14.3.0.0.0.

1.3 Abbreviation

Abbreviation	Description
OBVAM	Oracle Banking Virtual Account Management
DDA	Demand Deposit Account
ECA	External Credit Approval
POBO	Payment on Behalf Of
ROBO	Receipt on Behalf Of
KYC	Know Your Customer
API	Application Programming Interface

1.4 Release Highlights

OBVAM 14.3.0.0.0 offers a comprehensive standalone solution for virtual accounts management. Following are the major features added to the OBVAM product in the 14.3.0.0.0 release:

- Internal credit limits definition, linkage and tracking for corporates
- Support for a centralized OBVAM system operating alongside multiple DDA systems
- Enhancement of Virtual account ECA/ amount block functionality
- Enhancement of Overdraft functionality for virtual accounts

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1.5 <u>Release Enhancements</u>

1.5.1 <u>Functional Features</u>

1.5.1.1 Internal credit limits

Internal credit limits is a virtual limit provided by the corporate to the virtual accounts. For example a corporate can provide an internal limit to it's subsidiaries, business lines or departments in case of a liquidity management or POBO/ROBO setup. Similarly, a corporate using virtual accounts for client money segregation can provide an internal limit for it's clients.

- **Defining Internal Credit Line**: A corporate can define one or more internal credit lines for itself. Each credit line will be identified by a unique "Line ID" and can be denominated in a given currency. The corporate needs to capture the line amount and line start date and line end date during defining an internal credit line.

- **Linking Internal Credit Line**: A given internal credit line defined by the corporate can be linked to one or more virtual account(s) of the said corporate. The internal credit line linkage to an account can be in full or in part (partial amount linkage or a percentage based linkage). An internal credit line in a given currency can be linked to a virtual account in a different currency. The available line amount is included at the linked virtual account level while deriving the effective available balance of the account.

- **Internal Credit Line Utilization**: An internal credit line is utilized when a linked virtual account is debited for more than the available balance of the said account. The overdrawn amount at the account level is tracked as utilization at the limit line level. Similarly, when a virtual account is credited, the utilization, if any, is reduced by the credit amount. At all times, the consolidated utilization of credit line is tracked and availability of the line is derived based on the same.

- **Internal Credit Line Revaluation**: As a credit line can be linked to accounts in different currencies, the utilization can be revalued periodically based on the latest exchange rate. A batch process has been made available for the revaluation process.

1.5.1.2 Multi-currency Virtual Account structure

Multi-currency virtual account structure is essentially a virtual account structure containing virtual accounts in more than one currency. Multi-currency structures are primarily useful for setting up liquidity management structures or POBO/ROBO structures for a corporate operating in multiple currencies. Following features have been brought in as part of the changes:

- Ability to define a virtual account structure with virtual accounts denominated in different currencies. A virtual account in one currency can report to another account in a different currency as part of the structure.

- Ability to link a multi-currency account structure to a real (physical) multi-currency account which is capable of holding balances in multiple currencies as part of a single account.

- Ability to link a multi-currency account structure to a group of real (physical) accounts denominated is different currencies. During transaction processing, the funds are redirected to the real account which is in a currency same as the transaction currency.

- Ability to link a multi-currency account structure to a real (physical) account denominated in one currency. In such a case, if the transaction currency is different than the real account currency, the transaction amount is converted using the prevailing exchange rate. An exchange rate queue can also be configured to enable a user/external system to have input the exchange rate.

1.5.1.3 Virtual Account currency different than that of the real account

- A Virtual account in a given currency can be linked to a real (physical) account denominated in a different currency. In such a case, transaction amount is converted using the prevailing

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exchange rate while the transaction is redirected to the real account. An exchange rate queue can also be configured to enable a user/external system to have input the exchange rate.

1.5.1.4 Support for multiple DDAs

- The capability of working concurrently with multiple DDA systems of the bank has been enabled in OBVAM. The real (physical) accounts can come from different DDA systems of the bank and the virtual accounts can be centrally managed in a single OBVAM environment.
- With such a capability a single instance of OBVAM will be able to independently interact with more than one DDA systems for the required real account services.
- Transaction posting will also be supported across DDA systems where the transaction is received in a GL present in a particular DDA and the real account exists in another DDA. In such a case, an inter-DDA entry will be posted by OBVAM system to balance both the DDAs.

1.5.1.5 Partial release support for Amount Block

- A feature has been provided to allow partial release of amount block on a virtual account. An indicator can be captured during journal posting to indicate whether the provided amount block needs to be released fully or partially for the transaction amount.
- A given amount block can be partially released more than once and system will keep tracking the released amount and remaining blocked amount.

1.5.1.6 Block currency different than account currency in Amount Block

- Amount block (ECA) can be performed in a currency other than the virtual account currency.
- The exchange rate between the block currency and account currency can be provided by the user. If the exchange rate is not provided, system will automatically pick up the latest exchange rate maintained.

1.5.1.7 Including start date and end date for Overdraft

- Overdraft start date and end date has been added at the virtual account level to manage closed ended overdrafts. The overdraft amount provided at the account level will only be applicable between the start date and end date mentioned.

1.5.1.8 KYC validation during transaction posting

- A validation has been added at the journal transaction/ internal transfer to disallow transactions on an account if the KYC status at the linked virtual entity level is pending or expired. Transactions will be allowed for accounts where KYC status at the linked virtual entity level is verified.

1.5.1.9 Default virtual entity creation during virtual account facility setup

- A feature has been provided to open a default virtual entity while setting up virtual account facility for a corporate. The details related to the default entity can be captured at the time of setting up the virtual account facility and system will automatically create the default virtual entity.

1.5.2 Non-Functional Changes

1.5.2.1 Usage of data segments

- Data segments are logical group of business data. Data segment screens allows association of additional data segments for capturing additional data for the screen. Following OBVAM screens are data segment enabled.
  - Virtual Entity

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- Virtual Account Product
- Virtual Account Input
- Internal Credit Line
- Line Account Linkage

1.5.3 <u>Integrations</u>

1.5.3.1 DDA systems

- OBVAM is integrated with following versions of Oracle FLEXCUBE Universal Banking products as a DDA system for real account related services:
  - Oracle FLEXCUBE Universal Banking 14.1.0.0.0
  - Oracle FLEXCUBE Universal Banking 14.2.0.0.0
  - Oracle FLEXCUBE Universal Banking 14.3.0.0.0
- OBVAM can be configured to work with the DDA systems in a synchronous or asynchronous manner for transaction posting to the real (physical) account.

1.5.3.2 Payments processors

- OBVAM is integrated with Oracle Banking Payments as a payment product processor for incoming and outgoing payment processing on virtual accounts.

1.5.3.3 Liquidity management systems

- OBVAM is integrated with Oracle Banking Liquidity Management product as a liquidity management and interest engine.

1.5.3.4 Corporate Self-service applications

- OBVAM is integrated with Oracle Banking Digital Experience as a corporate self-service portal for virtual accounts management.

1.5.3.5 Corporate Self-service API

- APIs which provide for self-service functionality in Virtual Account management are provided for by surfacing APIs through the Oracle Banking API product. The details of the APIs are available in OB API documentation.

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2. Components of the Software

2.1 Documents Accompanying the Software

The various documents accompanying the software are as follows:

- Product Release Note and Installer Kit
- User and Installation manuals

2.2 Software Components

Software Components of Oracle Banking Virtual Account Management 14.3.0.0.0 that form part of this release are as follows:

- Service and API Components
- UI Components
- Database objects which includes tables, sequences and seed data
- Configuration files used for deployment

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3. Annexure - A: Environment Details

3.1 Tech Stack - OBVAM

Machine	Operating System	Software	Version Number
Application Server	Oracle Linux Server release 7.3 (x86 64 Bit)	Oracle WebLogic	12.2.1.3.0
		Java HotSpot (TM) JDK (with WebLogic Application Server)	JDK 8 Update 202
Database Server	Oracle Linux Server release 7.3 (x86 64 Bit)	Oracle RDBMS Enterprise Edition	18.3.0.0.0
Reporting Server	Oracle Linux Server release 7.3(x86 64 Bit)	Oracle WebLogic	12.2.1.3.0
		Oracle BI Publisher	12.2.1.4.0
		Repository Creation Utility	12.2.1.4.0
		Oracle Database (for RCU)	18.3.0.0.0
		JDK	JDK 8 Update 202
Client Machines#		Internet Explorer	Microsoft Internet Explorer Release (11.*)
		Mozilla Firefox	Mozilla Firefox Release (52+)
		Google Chrome	Google Chrome Release (67+)
		Microsoft Edge	41+

[Note: Browser support is no longer based on Operating Systems but strictly tied to the browser themselves, no matter on which Operating Systems they are installed. Current release is certified on client workstations with Windows 7, 8, and 10]

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4. Annexure - B: Third-Party Software

For information on the third-party software, refer Oracle Banking Virtual Account Management 14.3.0.0.0 License Guide in the OHC Documentation Library.

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