



Oracle Financial Services Capital Adequacy Application Pack 8.1.2.3.0 Maintenance Level Release #2(8.1.2.3.0)

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Description

ID **35487842**: OFS CAP 8.1.2.0.0 MAINTENANCE LEVEL RELEASE #2 (8.1.2.3.0)

Pre-installation Requirements

The minimum patch set level must be OFS CAP Application Pack version 8.1.2.0.0.

Installing this Release

For detailed instructions on installing this Maintenance Level Release, see [OFS CAP Installation Guide 8.1.2.3.0](#).

New Features

In the OFS Basel Regulatory Capital Release 8.1.2.3.0, we are catering to the latest guidelines pertaining to Basel 3 compliance for Central Bank of Kuwait, Kuwait. This release also caters to the latest guidelines of Circular Number 33 / 2022 and Circular Number 34 / 2022 of Qatar Central Bank, Qatar.

As part of this release, RBI Jurisdictional compliance for Basel III has been updated with the technical changes to comply with the Process Modeling Framework updates that will help in parallel processing. Also, this release includes compliance to the Operational Risk Revised Standardized Approach for RBI Jurisdiction.

There were also enhancements across the portfolio for the Integration of the Basel Capital Adequacy Calculations with the Price Creation and Discovery application. There were also enhancements to the optimizer for handling specific scenarios of infeasibility, arrived at by the linear solver, and have a focused approach for allocating mitigants instead in those scenarios. There were also enhancements to compute the Modified duration of the Interest Rate Risk Instruments, instead of expecting it as download.

Kuwait Jurisdiction (CBK)

As part of this release, the solution is compliant with the Basel 3 compliance for Kuwait, in conjunction with the latest guidelines available for the same. The key functionalities addressed in this release are as below:

- Credit Risk
 - Standardized Approach

- Counterparty Credit Risk
 - Derivatives
 - Current Exposure Method
 - Securities Financing Transaction
 - Comprehensive Approach
 - Default Fund Contribution for QCCP
 - Default Fund Contribution for Non - QCCP
 - Credit Valuation Adjustment
 - Standardized Approach
- Settlement Risk
 - Capital Charge Calculation for DvP Exposures
 - Capital Charge Calculation for Non-DvP Exposures
- Operational Risk
 - Standardized Approach
 - Alternative Standardized Approach
- Capital Structure & Buffers

Qatar Jurisdiction (QCB)

As part of this release, the solution is compliant with the Revised Basel III guidelines (issued as part of Circular No. 34/2022) and Revised IFSB Standard (issued as part of Circular No. 33/2022) for Qatar. The key functionalities addressed in this release are as below:

- Credit Risk
 - Standardized Approach
- Counterparty Credit Risk
 - Derivatives
 - Standardized Approach
 - Securities Financing Transaction
 - Comprehensive Approach
 - Default Fund Contribution for QCCP
 - Default Fund Contribution for Non - QCCP
 - Credit Valuation Adjustment
 - Basic Approach – Reduced Version
- Settlement Risk
 - Capital Charge Calculation for DvP Exposures
 - Capital Charge Calculation for Non-DvP Exposures
- Operational Risk
 - Standardized Approach
- Capital Structure & Buffers

India Jurisdiction (RBI)

As part of this release, India Jurisdictional compliance for Basel III has been updated with the technical changes to comply with the Process Modeling Framework, by enabling parallel processing. There has been

movement of the data to different portfolio-specific processing tables, to enable banks to do parallel processing of the various tasks.

Common Functionality Impacting Across Jurisdictions:

As part of this release, there have been newer functionalities introduced to cater across jurisdictions:

- Integration of the Basel Application with Price Creation and Discovery Application
 - Functionality allowing the user to have an out-of-the-box integration with the Price Creation and Discovery Application to price new and existing accounts, using the regulatory capital required to be maintained for the accounts.
- Enhancements for the Optimizer
 - Functionality allowing the handling of mathematically infeasible optimization, by using a predefined logic of allocation of mitigants to the exposures.
- Out of box Calculation for Modified Duration of the Interest Rate Risk Instruments
 - Functionality allows the calculation of the modified duration of the interest rate risk instruments using inbuilt calculation logic, instead of expecting it as a download or using external library references.