



ORACLE

APACK 14.4.0.3.0 Islamic Financing

Part Number: F38223-01



Accelerator Pack – Islamic Financing

Contents

- Introduction
- Products Features
- APACK Product list
- Operations
- Reports and Advices

Accelerator Pack – Islamic Financing

ORACLE FLEXCUBE offers the following products categories for Islamic Financing :

- WAKALA
- WAKALA TO MURABAHA
- MURABAHA
- MUDARABAH
- MUSHARAKA
- IJARAH
- ISTISNA
- TAWAROOQ
- ARRAHNU

Accelerator Pack – Islamic Financing

Wakala

- Wakala is an agency contract, where business is managed by an agent appointed by the bank.
- In Wakala, Bank agrees to finance the customer in advance before they enter into an agreement.
- The fee for the Wakala period is recovered from the customer when the Wakala is converted into a Murabaha contract.
- No Profit/Fee/Charges would be collected during the Wakala transaction period.
- Normal tenor of a Wakala contract is of one week to 10 days.

Accelerator Pack – Islamic Financing

MURABAHA

- Murabaha is a sale contract, where Bank sells the goods to the customer with cost, on plus profit basis.
- The profit amount for the bank's service is determined during the sale of the goods.
- Profit once determined cannot be changed.
- Only the goods which are existing and are under bank's possession can be sold under Murabaha.
- Murabaha contract can have grace days for the supplier and customer, where different rate of profit is applied than the actual profit during that period.
- The Wakala agency contract will get converted into Murabaha once the goods is acquired within the Wakala Period.

Accelerator Pack – Islamic Financing

MUDARABAH

- Mudarabah is a partnership between the bank and an enterprise/company for a pre-agreed period. The bank invests in either a new or existing company with pre-agreed profit percentage share.
- Mudarabah refers to an investment done by the Bank (Rabbul-mal) with an entrepreneur. The Rabbul-mal invests by allowing an entrepreneur with ideas and expertise to use the capital for productive purposes and shares the profit (if any) with the entrepreneur-borrower (Mudarib). The losses (if any) however, is borne wholly by the Rabbul-mal. In Islamic literature, this mode of financing is being termed as Mudarabah.
- Under Mudarabah financing, the bank invests hundred percent (100%) of the project or investment value. There is no Margin or Down payment.

Accelerator Pack – Islamic Financing

MUSHARAKA UNDER CONSTRUCTION

- When MUSHARAKA is used for House under construction, the finance deal becomes a combination of MUSHARAKA and ISTISNAA agreements. The under construction period is ISTISNAA and upon completion of the house/property, the Diminishing MUSHARAKA arrangement will take over and the ISTISNAA gets terminated. This is called as Musharaka Under Construction contract.
- Different rates can be applied for profit calculation during construction period and post construction period.
- The amount financed can be disbursed part by part as per the percentage of completion for Musharaka under Construction.
- For profit calculation, different rates which are known upfront can be used.

Accelerator Pack – Islamic Financing

ISTISNA

- Istisna is a sale transaction where a commodity is transacted before it comes into existence. It is an order to a manufacturer to manufacture a specific commodity for the purchaser. The manufacturer uses his own material to manufacture the required goods.
- In Istisna, the maximum profit that needs to be collected by the bank will be decided upfront and the same would be booked in the initial stage of the Istisna contract, during the life cycle after each repayment, the booked entry will get realized as Income.
- Upfront Profit booking is supported in ORACLE FLEXCUBE by posting an event – UIDB.

Accelerator Pack – Islamic Financing

IJARAH

- Ijarah is simply a transaction meant to transfer the Legal title of a property from one person to another for an agreed period against an agreed consideration. Its an arrangement under which the Lesser provides the money to buy an asset which would be used by the Lessee and in return get the rent as profit from the Lessee.
- There are two major classifications in Ijarah:
 - Operational
 - Financial
- In Operational Ijarah, the Legal title of the property will remain with the Lesser and the Lessee can only make use of the property during the Ijarah contract period.
- In Financial Ijarah, the legal title of the property will be transferred to the Lessee during the end of the Ijarah period.

Accelerator Pack – Islamic Financing

IJARAH

- Booking an Ijarah during construction period is referred as Forward Ijarah and the initial construction period would be treated as Moratorium Period as there will not be any repayment during that period.
- Processing of profit payments could be either Advance or Arrears.
- Loading of the deferred construction period profit would be moved either to the first schedule or to the specific leasing period.
- Cash flow computation and processing - computation of future cash inflows based on a set of initial cash outflows and a required profit rate that may be different for construction period and for the regular (post construction) period.
- In Financial lease, there is an option to track the asset details in the financing contract. The initial asset capitalization will be booked in the Fixed Assets Module and the financing will be done through Islamic Financing module.

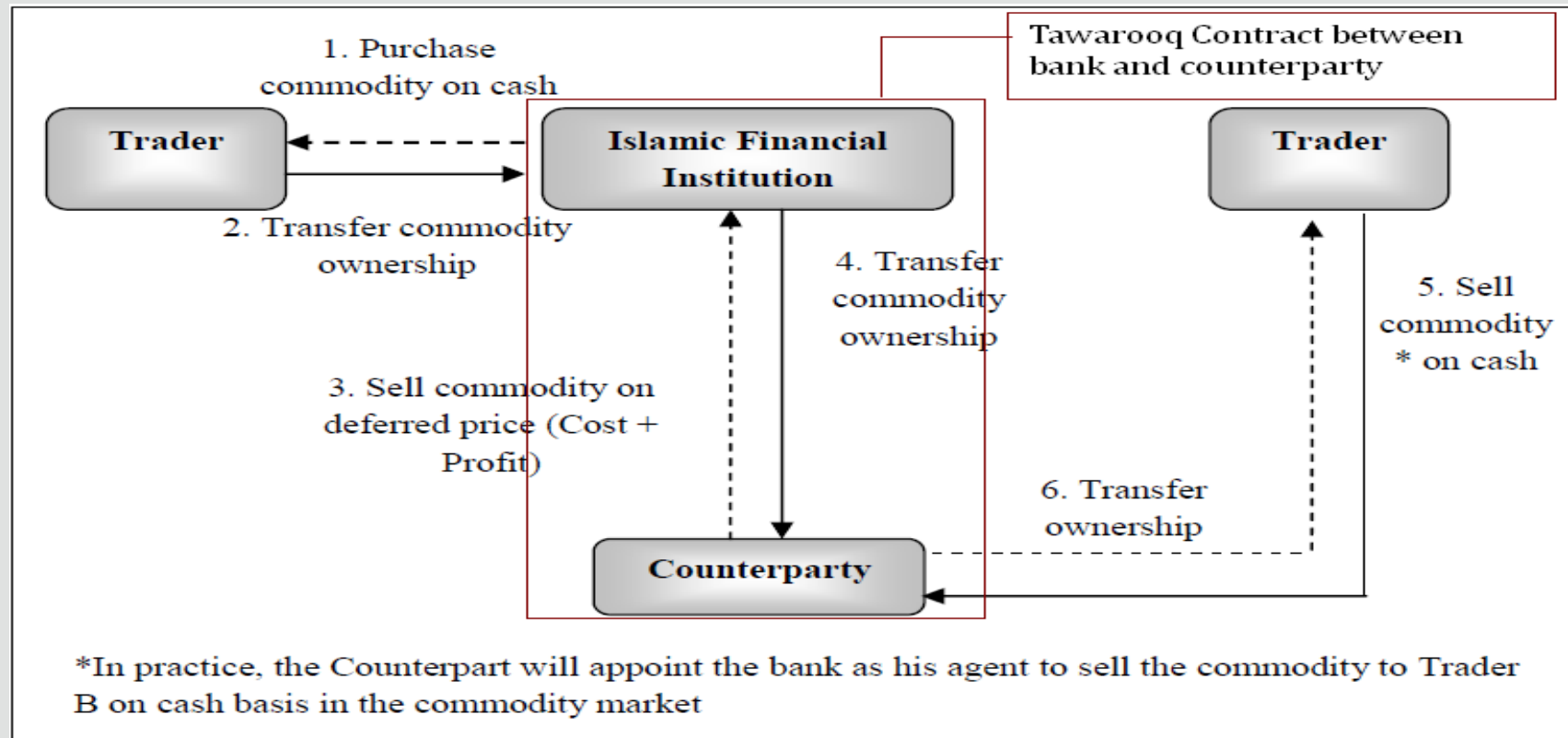
Accelerator Pack – Islamic Financing

TAWAROOQ

Tawarooq is a sale contract, whereby a buyer buys an asset from a seller on deferred payment and subsequently sells the assets to the third party for cash, with a price lesser than the deferred price. This transaction is called Tawarooq, mainly because when the buyer purchases the asset on deferred terms, it is not the buyer's intention to utilize the benefit from the purchased asset, rather it's to facilitate them to attain liquidity (Waraqh Maliah).

Accelerator Pack – Islamic Financing

TAWAROOQ



Accelerator Pack – Islamic Financing

AR-RAHNU

- AR-Rahnu is a transaction that represents collateral based financing. The customer provides collateral (typically gold) against which financing is provided at no profit.
- Periodic charges are collected towards safekeeping of collateral.
- For AR-Rahnu transaction, the tenor can be extended.
- Tenor extension has to be done manually.

Accelerator Pack – Islamic Financing

Products Features

Accelerator Pack – Islamic Financing

Product Features

- Complete Life Cycle Tracking and Processing.
- Ability to Create and Tailor Products With Standard Features.
- Flexibility to Modify Standard Features for Specific CI Contract.
- On-Line Updates and Accounting Entries.
- Credit Limit Maintenance and On-Line Tracking of limit utilization.
- Automated Handling of User Defined Profit and Automated Generation of Configurable Advices in Mail Formats.
- User Defined Contract Status and Automatic Status Changes.
- User Defined Events (UDE) can be defined.

Accelerator Pack – Islamic Financing

Product Features

The Oracle Flexcube supports the following types of Profit Calculation methods in Islamic Financing:

- **Simple Bearing:** Typically used for corporate customers.
- **Bearing Capitalized:** Used for corporate customers. The profit accrued at the end of the schedule is added to the Principal.
- **Amortized:** Typically used for retail customers.
- **Compounding Profit:** Supported for both Simple and Amortized types of finances.
- **Flat Rate:** Used in Murabaha and Istisna Contracts.

Accelerator Pack – Islamic Financing

Product Features

- **Reducing Balance with fixed principal:** Used in Murabaha and Istisna Contracts
- **Moratorium Formula:**
In the CI Module, Moratorium refers to the repayment holiday given during the period between the value date of the Finance and the first repayment date (construction period). While no repayment happens, computation will still happen. The formula to be used for the computation of the same is maintained using a special Moratorium Formula.
- **Moratorium Liquidation Formula:**
In the CI Module, if the product is enabled for Moratorium, we can define the profit liquidation formula in three different ways to adjust the profit accrued during the Moratorium period in the upcoming schedules.

Accelerator Pack – Islamic Financing

Product Features

- **Payment in Advance:** Supported for both simple and amortized types of finances. The repayment schedule starts from the value date of the finance.
- **Amortized Rule of 78:** Used in short term retail finances.
- **User Defined:** The user can define the formula for requirements other than the above mentioned types of profit calculation. E.g.. Flat rate used in microfinance.

Accelerator Pack – Islamic Financing

Product Features

- **Reducing Balance with Fixed Principal:** Used in Murabaha and Istisna Contracts
- **Moratorium Formula:**
In the CI Module, Moratorium refers to the repayment holiday given during the period between the value date of the Finance and the first repayment date (construction period). While no repayment happens, computation will still happen. The formula to be used for the computation of the same is maintained using a special Moratorium Formula.
- **Moratorium Liquidation Formula:**
In the CI Module, if the product is enabled for Moratorium, we can define the profit liquidation formula in three different ways to adjust the profit accrued during the Moratorium period in the upcoming schedules
 - Moratorium profit getting added to first EMI.
 - Moratorium profit getting apportioned across all EMI's.
 - Moratorium profit gets capitalized in the final schedule.

Accelerator Pack – Islamic Financing

Product Features

- **Payment in Advance:** Supported for both simple and amortized types of finances. The repayment schedule starts from the value date of the finance.
- **Amortized Rule of 78:** Used in short term retail finances.
- **User Defined:** The user can define the formula for requirements other than the above mentioned types of profit calculation. E.g.. Flat rate used in microfinance.

Accelerator Pack – Islamic Financing

Product Features

- Disbursement Mode:
 - Auto
 - Manual
- For Disbursement, the following types of Credit Settlement modes are supported:
 - CASA
 - Credit Card
 - Debit Card
 - Clearing
 - External Account
 - Electronic Pay Order

Accelerator Pack – Islamic Financing

Product Features

- Liquidation Mode:
 - Auto
 - Manual
 - Component(Independent mode for each component – auto/manual)
- For Liquidation, the following types of debit Settlement modes are supported:
 - CASA(With/Without Balance)
 - Credit Card
 - Debit Card
 - Clearing/PDC
 - Internal Cheque

Accelerator Pack – Islamic Financing

Product Features

- For Liquidation, the following types of Credit Settlement modes are supported:
 - External Account
 - Electronic Pay order
 - Internal Cheque
 - Instrument
 - Cash/Teller

Accelerator Pack – Islamic Financing

Product Features

- Provisioning Mode: The following modes of Provisioning are supported:
 - Auto
 - Manual

Accelerator Pack – Islamic Financing

Product Features

- Tenor/ Frequency for Disbursement/Liquidation.
- The following types of Settlement frequency are supported:
 - Daily
 - Weekly
 - Monthly
 - Quarterly
 - Half-yearly
 - Yearly
 - Bullet
- Moratorium on repayment is supported. The profit accrued during Moratorium period is settled in future normal schedules.

Accelerator Pack – Islamic Financing

Product Features

- **Value Dating:** The following types of Value Dating is supported for various activities on Finance accounts like disbursement, payment etc.,:
 - Current Date
 - Back Date
 - Future Date
- **Excess Payment:** The following types of excess payment are supported:
 - **Advance payment:** Future schedules settled through a current dated payment.
 - **Prepayment:** If the amount paid by customer is more than what's due in the current schedule, the excess amount is considered as a prepayment towards the principal. The future schedules are recomputed accordingly.

Accelerator Pack – Islamic Financing

Product Features

- **Settlement: Various flavors of Settlement through accounts that are supported:**
 - CASA belonging to the borrower or guarantor(co-applicant)
 - CASA in the local branch or a different branch
 - CASA in the local currency or foreign currency
 - Settlement through multiple accounts (Primary/Secondary)
 - Settlement through salary account (hold on salary)
- **Preferences for settlement of components:**
 - Each component across schedules
 - All components for each schedule

Accelerator Pack – Islamic Financing

Product Features

- Component Types - Various types of components are supported in Finance products apart from the Principal and Profit. The typical component types are:
 - Charge component
 - Fees component
 - Compensation component (on over dues and prepayment)
 - Additional Profit Component
 - Savings Component
 - Takaful component(supported for all financing types)
 - Balloon component
 - Balloon Rollover component
 - Balloon Principal component
 - Takaful component(supported for all financing types)

Accelerator Pack – Islamic Financing

Product Features

- **Grace Days:** User can define grace days for the Repayment Principal and Profit components. No compensation will be charged during this period.
- **Track Receivable:** During Auto Liquidation of a Finance, if a component is not settled due to non-availability of funds, the system will track the debit settlement CASA account. When funds become available in the account, the receivable amount will be blocked for the Finance and settled during the subsequent End of Day.
- **Waive Options**
The following types of components can be waived:
 - Profit
 - Compensation
 - Charges

Accelerator Pack – Islamic Financing

Product Features

- **Hamish Jiddayah Minimum Percentage**
A minimum amount of Down payment has to be maintained for a Product. This allows the account creation capture at the product level.
- **Profit Rate**
The Profit rate can be of two types:
 - Fixed Rate
 - Floating Rate
- **The revision of Profit Rate in case of a floating rate can be done through the following methods:**
 - Automatic Rate Revision
 - Periodic Rate Revision (user defined schedules)

Accelerator Pack – Islamic Financing

Product Features

- **Recomputation of schedules:** The Finance repayment schedules are recomputed on events like prepayment, amendment, Profit rate revision etc.
- **Recomputation basis on Amendment of a Amortized Finance(Principal Increase):**
 - **Change Installment:** The EMI is recalculated for the remaining schedules
 - **Change Tenor:** The original EMI is retained and the maturity is extended
 - **Balloon Payment:** The increased principal is added to the final schedule

Accelerator Pack – Islamic Financing

Product Features

- **Recomputation basis on Pre-payment of a Amortized Finance:**
 - Change Installment: The EMI is recalculated for the remaining schedules
 - Change Tenor: The EMI is retained and the maturity date is reduced
- **Prepayment effective from:**
 - Value Date (of prepayment)
 - Next Installment
- **EMI calculation type**

If different Profit rates are maintained in the Finance contract with future effective dates, the EMI can be calculated with the following methods during account opening, amendment and prepayment:

 - Single Installment: The same EMI for all schedules
 - Multiple Installments: Different EMIs for the schedules based on the effective dates of rate revision

Accelerator Pack – Islamic Financing

Product Features

- **Amendment Options**

The following operations are supported for Finance account amendment:

- Profit Rate amendment
- Changing maturity date
- Schedule amendment
- Non-financial details
- Principal Increase
- Repayment amount
- Finance settlement Notice
- Provisioning mode

Accelerator Pack – Islamic Financing

Product Features

- **Reassignment Options**

The following types of reassignment are supported:

- Changing Customer
- Changing the Linkage details

Accelerator Pack – Islamic Financing

Product Features

Renegotiation Options

- The following operations are supported for Finance account renegotiation:
 - Liquidation/Waiver/Capitalization of overdue components
 - Product Change
 - Profit Rate amendment
 - Changing maturity date
 - Schedule amendment
 - Principal Increase
 - Repayment amount
- For a particular Financing account, the maximum number of renegotiations that can be done can be captured at the Finance Account. Validation is done during renegotiation, if renegotiation count exceeds this maximum number.

Accelerator Pack – Islamic Financing

Product Features

- Finance Extension Options:
 - The tenor of the finance can be extended only for Ar-Rahnu accounts
 - Extension has to be done manually for Ar-Rahnu accounts
 - It can be achieved through manual rollover
- Simulation Options
The simulation of following operations are supported:
 - Booking of Finance
 - Amendment
 - Payment

Accelerator Pack – Islamic Financing

Product Features

- **Relationship Pricing**
The following benefits are supported for customers who have Relationship Pricing:
 - Profit Rate
 - Exchange Rate
- **NPA Tracking**
The status change for non-performing assets is supported. The status can be changed automatically or manually. Automatic status change is supported on the following basis:
 - Installment level: Status can be tracked at each installment/repayment schedule level. This is supported only for amortized Finances.
 - Account Level: Status can be tracked at each account level. This is supported for all types of Finances.
 - Group Level: By considering the status of all type of accounts for a customer, the system can update the worst status of a account to all other accounts.

Accelerator Pack – Islamic Financing

Product Features

- Provisioning
Provisioning for bad assets can be done based on the following:
 - Classification/Status of Asset
 - Customer Risk Rating
 - Collateral Coverage Amount (Bank Guarantee/Standby LC)
- IRR and Yield accrual
The facility to calculate IRR is supported. Various components maintained in the product can be considered for IRR calculation. The system calculates the due amount using the IRR and fires yield accrual (YACR) for the amount in excess of the main Profit component.

Accelerator Pack – Islamic Financing

Product Features

- Profit Only Period

Banks can provide principal repayment holidays to the customer in between the tenor of the financing accounts. During this period the customer will only pay the profit on the outstanding principal. In the remaining schedules, the customers will pay both the profit as well as principal component using amortized schedules.

- Rate Plan Change Frequency and Rate plan Window

- In Rate plan Change Frequency, we can maintain the frequency to change the rate plan for a contract and the rate plan window will say after reaching the rate plan frequency for how long the amendment could be done.
- Banks can provide rate plan windows to their customers during which the customers can ask the bank to change their rate plan.
- Profit rate amendment outside this window could be restricted.
Example: The customer can ask to change his profit rate from a fixed type to floating type or vice versa.

Accelerator Pack – Islamic Financing

Product Features

- Linking a Savings account to a CI Contract:
 - The banks can provide their customers a facility to link their savings account to their financing contract.
 - If the customer has balance in his account, the profit on the finance is only collected on the difference of the outstanding principal and the balance in the CASA.
 - If the balance in the CASA is greater than the outstanding principal, no profit is collected for the finance account.
 - The customer is given profit for the excess balance in his CASA using the profit rate for the savings account.

Accelerator Pack – Islamic Financing

Product Features

- Finance statement Generation

The Finance statement can be generated through the following methods:

- Periodic generation of Finance Statements: LSTM event can be configured to generate finance statement on a periodic basis.
- Adhoc Finance Statement Generation: Detailed and summary Finance statement can be generated on an Adhoc basis.

Accelerator Pack – Islamic Financing

APACK Product List

Accelerator Pack – Islamic Financing

APACK - PRODUCTS

- WAK1 – Wakala Financing
- WMU1 – Wakala to Murabaha Financing (Dual Formula)
- WMU2 – Wakala to Murabaha Financing (Dual Formula)
- TAW1 – Tawarooq with Auto Disbursement - Bearing
- TAW2 – Tawarooq with Manual Disbursement
- MDA1 – Mudarabah Financing – Auto Disbursement
- MDA2 – Mudarabah Financing – Manual Disbursement
- MRH1 – Murabaha Financing (Dual Formula)
- MRH2 – Murabaha Financing (Dual Formula)

Accelerator Pack – Islamic Financing

APACK - PRODUCTS

- MSK1 – Diminishing Musharaka Financing – Auto Disbursement
- MSK2 – Diminishing Musharaka Financing – Manual Disbursement
- MCN1 – Musharaka under Construction Financing – Auto Disbursement and Bearing Method
- MCN2 – Musharaka under Construction Financing – Manual Disbursement and Amortized Method
- ISN1 – Istisna - Home Financing – Auto Disbursement and Amortized Method
- ISN2 – Istisna - Home Financing – Manual Disbursement and Bearing Method
- ISN3 – Istisna - Home Financing – Nominal Disbursement and Bearing Method
- ISN4 – Istisna - Home Financing – Nominal Actual Disbursement and Bearing Method

Accelerator Pack – Islamic Financing

APACK - PRODUCTS

- IJ99 – Operational Ijarah (Arrear)
- IJ02 – Operational Ijarah (Advance)
- IJAD – Advance Financial Ijarah with Pre Defined Profit Amount
- IJF2 – Forward Ijarah with Moratorium Period (Advance)
- IJF3 – Financial Ijarah with Asset (Arrear)
- ARH1 – Ar-Rahnu Financing – Medium to Long Term (Auto Disbursement and Simple Method)
- ARH2 – Ar-Rahnu Financing – Medium to Long Term (Manual Disbursement and Bearing Method)

Accelerator Pack – Islamic Financing

Operations

Accelerator Pack – Islamic Financing

Processing – CI Account

- Separate Screens for Account Input are available for each Product Category.
- As there can be multiple disbursement schedule for principal disbursement, even for down payment we can have multiple schedules.
- In preference screen, the check box ‘Multiple Downpayment required’ should be checked to maintain multiple schedule for down payment.
- Down payment entries are fired with disbursement in DSBR event.
- Separate record for down payment is created on passing of down payment entries for each down payment schedule.
- RT module is used to pass downpayment entries.
- For manual disbursement if down payment need to be captured , first an entry in downpayment screen should be made, that is the customer had to pay the down payment amount before the manual disbursement.

Accelerator Pack – Islamic Financing

Processing – CI Account

- Field to capture down payment is available in manual disbursement screen.
- Disbursement can be done effect from value date, and value date can be current or back dated.
- On saving a disbursement using manual disbursement or Auto disbursement while booking contract, the system will fire the DSBR event in the account.
- If the CI account falls due, then the same could be tracked through Collection module.
- For a single asset (CI Account) there could be many Child collection contract which would be linked to a parent collection contract (Only one level).
- When a financing account becomes NPA, the linked collateral with the financing account can be taken over by the bank.
- The Islamic Finance contract reference number is given as an input to search the collateral code. After inputting the contract reference number, user can select the collateral code to be taken over from collateral code field LOV in which Collaterals linked to the Islamic finance will be listed.

Accelerator Pack – Islamic Financing

Processing – CI Account

- If the collateral is shared by other liabilities, it cannot be taken over.
- If the collateral is part of any Collateral pool, then it cannot be taken over.
- Once the collateral is taken over, same will be marked as Taken Over asset in financing account, and the asset contract details are updated.
- Islamic financing account can be securitized by the bank.
- Islamic Securitization is the process of transferring the Islamic Asset (Musharaka, Mudarabah, Murabaha, Istisna, Ijarah (Financial Lease assets) from Bank's account to the SPV account.
- Post securitization, the Islamic assets which are part of the securitization pool are transferred to SPV and all further activities of the underlying pool contracts is linked to SPV account.

Accelerator Pack – Islamic Financing

Processing – CI Account

- Schedule amount and profit calculation can be done using different methods:
 - Amortized Reducing
 - Simple
- At product maintenance level, if we select calculation method as Simple, following formula will be used to calculate profit amount:
 - @SIMPLE(PRINCIPAL_EXPECTED,(PROFIT_RATE),DAYS,YEAR,COMPOUND_VALUE)
- If Amortized Reducing is used, then the following formula will be used:
 - @AMORT_RED(PRINCIPAL_EXPECTED,(PROFIT_RATE),DAYS,YEAR)

Accelerator Pack – Islamic Financing

Processing – CI Disbursement

- For Istisna Account, during manual disbursement, percentage of completion of the project can be captured based on which the Amount to be disbursed will be displayed.
- If actual amount disbursed is greater than the calculated amount to be disbursed, the system will display an override message.
- During final disbursement, if the percentage of completion is not equal to 100%, the system will display an override.

Accelerator Pack – Islamic Financing

Processing – CI Payment

- The Payment can be against any combination of the components due.
- The payment computed by the system can be overridden by the customer negotiated amount and a subsidy will be captured as amount waived.
- The amount accepted will be either waived or capitalized.
- Depending on the mode selected, additional details about the payment will be captured such as the clearing house details. Settlement products to be used if the Settlement is through another product of ORACLE FLEXCUBE.
- ORACLE FLEXCUBE supports back value dated payment up to the last Payment date.
- If the product preference allows for 'Allow back valued entries' only, then this functionality will be allowed for the account.
- Whenever a back valued event (Principal Increase, Rate Change, Payment Reversal) is made, the system will recalculate profit based on the new conditions and pass the difference as a back valued adjustments.
- Back valued Adjustments (accruals and Liquidations) will be passed on the same day.
- If any collateral is linked to a financing contract, during payment, the linked amount will be de utilized to the extent of amount paid by the customer.

Accelerator Pack – Islamic Financing

Processing – CI VAMI

- In CI module, Value dated effective amendments to the finances is called Value Dated amendments (VAMI)
- This will also be used to support account amendment which are non financial in nature.
- These non-financial amendment typically do not have an effective date but CI will handle these also as amendments with value date as of the effective date. This will not be handled online but as part of end of cycle operations.
- When the amendment affects the Profit rate, the accrual will be recomputed. The difference in accruals would be accounted in the current period on the booking date of the change.
- If the requirement is to have these effective on a particular date and if its not already maintained, a fresh set of rates would be required to be maintained.

Accelerator Pack – Islamic Financing

Processing – CI VAMI

- Specify the account number for which the amendment needs to be done and then ‘Unlock’ the record.
- In the New Amendment frame, specify the Effective Date. Click the ‘Create New Amendment’ button in order to make new amendments to finances.
- The Account Details tab is displayed where you can create the new amendment.
- Following are the amendments to the Value date effective finance accounts that you can perform through this screen:
 - Value Date based changes to the Principal
 - Value Date based changes to the Rates
 - Value Date based changes to the Tenor of the finance

Accelerator Pack – Islamic Financing

Processing – Transfer of CI Accounts

- Transfer Categories
 - **Single Transfer:** A CI account could be transferred from source branch to any target branch.
 - **Product Transfer:** All the accounts belonging to a particular product are transferred from source branch to any target branch.
 - **Customer Portfolio Transfer:** All the CASA, TD and Financing contracts belonging to a particular customer are moved from source branch to target branch.
 - **Branch Merger:** The source branch will get merged to the target branch by moving all its accounts (CASA and TD) and contracts belonging to CI,CL,MO.
 - **Note:** Transfer would be successful only If the contract is not linked to any Fund ID.

Accelerator Pack – Islamic Financing

Events covered

Events	Description
BOOK	Booking of contract
INIT	Contract Initiation
DSBR	Disbursement
ACCR	Accrual
MLIQ	Manual Liquidation
ALIQ	Automatic Liquidation
PROV	Provisioning
ADBK	Adhoc Charge Booking
ADCH	Adhoc Charge Application
VAMB	Value Dated Amendment Booking
VAMI	Value Dated Amendment Initiation

Accelerator Pack – Islamic Financing

Events	Description
RACR	Reversal Accrual
NOVA	Novation (Customer change)
REOP	ReOpen of Finance Account
RNOG	Re-Negotiation
ROLB	Rollover Booking
ROLL	Rollover of Contract
REVN	Periodic Rate Revision
UIDB	Upfront Profit Booking
UIDR	Reversal of Upfront Profit
TRFR	Branch Transfer
TADJ	Transfer Adjustments
ARVN	Automatic Revision Rate

Accelerator Pack – Islamic Financing

Reports and Advices

Accelerator Pack – Islamic Financing

Advices	Description
CL_INIT_ADVICE	Finance Initiation Advice
CL_CONT_ADV	Contract Advice
CLST_SUMMARY	Finance Summary statement Advice
CR_ADV	Credit Advice
CLST_DETAILED	Finance detailed Statement Advice
DR_ADV	Debit Advice
DELINQYADV	Delinquency Advice
BILNOTC	Billing Advice
CL_INT_STMT	Profit Statement Advice

Accelerator Pack – Islamic Financing

Advices	Description
RATECH_ADV	Rate Change Advice
CL_ROLL_ADV	Rollover Advice
CL_AMD_ADV	Amendment Advice
CL_CAP	Capitalization Advice
COUPON	Coupon Advice
PAYMENT_ADVICE	Payment Advice

Accelerator Pack – Islamic Financing

Reports

Finance Maturity Report

Accrual Control List

Overdue Schedule Report

Periodic Rate Revision Report

Customer Finance agreement

Profit calculation Analysis

Finance history

Finance Register

Event Report

Adverse Status Report

Linked Contract Utilization Report

Accelerator Pack – Islamic Financing

BPEL Process Flow

Accelerator Pack – Islamic Financing

BPEL Process Flow Support

The Islamic Financing Origination is supported for the below Islamic product categories.

Process Flows:

- Murabaha Origination
- Tawarooq Origination
- Istisnaa Origination
- Musharaka Origination
- Mudarabah Origination
- Ijarah Origination

Accelerator Pack – Islamic Financing

Loan Origination

Maintenance Required

- Rule Maintenance
- Ratio Maintenance
- Pricing Maintenance
- Application Category Maintenance
- Balance sheet size Maintenance
- Ratio Benchmark Maintenance
- Credit Ratio Maintenance
- SDE Maintenance
- Ratio Template Definition

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Murabaha

- Financing Transaction Initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting Proposal Preparation
- Underwriting Proposal Review
- Sanction Approval
- Sanction Letter Review
- Customer Signoff
- Sale Confirmation
- Documentations and TC verification.
- Down Payment
- Vendor Payment
- Sale Confirmation
- User Acceptance
- Manual Liquidation

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Tawarooq

- Financing transaction initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting proposal preparation
- Underwriting proposal Review
- Sanction Approval
- Sanction letter Review
- Customer signoff
- Documentations and TC verification.
- sale confirmation
- User Acceptance
- Manual Liquidation

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Istisna

- Financing Transaction Initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting Proposal Preparation
- Underwriting proposal Review
- Sanction Approval
- Sanction Letter Review
- Customer Sign-off
- Sale Confirmation
- Documentations and TC verification
- Down Payment
- User Acceptance
- Manual Liquidation

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Musharaka

- Financing Transaction Initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting Proposal Preparation
- Underwriting Proposal Review
- Sanction Approval
- Sanction Letter Review
- Customer Signoff
- Sale Confirmation
- Documentations and TC verification.
- Down Payment
- User Acceptance
- Manual Liquidation

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Mudarabah

- Financing Transaction Initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting Proposal Preparation
- Underwriting Proposal Review
- Sanction Approval
- Sanction Letter Review
- Customer Signoff
- Sale Confirmation
- Documentations and TC verification.
- Down Payment
- User Acceptance
- Manual Liquidation

Accelerator Pack – Islamic Financing

Loan Origination

Stages in Ijarah

- Financing Transaction Initiation
- Application Enrichment
- Underwriting Pre-Qualification
- Underwriting Pre-Qualification Approval
- Underwriting Proposal preparation
- Underwriting Proposal Review
- Sanction Approval
- Sanction Letter Review
- Customer Signoff
- Sale Confirmation
- Documentations and TC verification.
- Down Payment
- User Acceptance
- Manual Liquidation



ORACLE