



ORACLE

APACK 14.5.4.0.0

Letters of Credit



APACK 14.5.4.0.0 – LC

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Introduction

- A Letter of Credit as an instrument of international trade is one of the most secure methods for a seller to be paid.
- Besides credit risk considerations, LCs is the customary business practice for long distance trade and a particularly important commission earning service for any bank.

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Functional / Operations features

- Issuing Letter of Credit/Guarantee
- Marking acknowledgment on receipt of Documentary Credit
- Manual Availment
- Revolve by Time/Value
- Generation of Advices and Messages
- Amendment Confirmation
- Guarantee Claim and Claim Settlement in Guarantee Contracts

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Functional / Operations features

- Reversal of Availment
- Liquidation of Commission/Charges/Tax
- Contract Reversal
- Pre closure of LCs
- Pre advice of import and export LCs
- Support for shipping Guarantees.
- Provision to Validate Message generation during contract save
- Substitution for SWIFT Characters(x and z Character set)

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Functional / Operations features

- Processing of Back to back LCs
- Transfer of LCs
- Collection of cash collaterals
- Transfer of Cash collaterals from LC to Bills
- Tracking of Limits and Collaterals.
- Limits tracking for Liability-Margin for Import LC
- Movement of Charges from LC to Bills
- Event Reversal for Version creating Events

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Functional / Operations features

- Movement of Charges/Commission to LQ module
- Auto creation of Loans for Cash collateral
- FIFO/LIFO methods for commission calculation
- Support for Standby LC's
- Brokerage
- Linkage of Accounts and creation of amount block
- Support for Sanction check
- Support for Silent Confirmation for Export LCs

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Common Events

Events	Description
ACCR	Accrual - This event is fired whenever a periodic commission is linked to an LC and it has to be accrued
AMND	Amendment - This is the event fired whenever an LC is amended without any change in operation i.e. amendment from Preadvice to advice is not AMND but a change in the LC amount for the AMND event
AVAL	Availing an LC - This is fired whenever an LC is availed i.e. the LC amount is actually paid.
CALC	Calculation of Commission - This event too is fired when the calculation of the periodic commission takes place. It is a purely internal event.

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Common Events

Events	Description
CANC	Cancellation - This is when an already issued or advices LC is cancelled.
CLIQ	Commission Liquidation - This is the event when a periodic commission is liquidated
CLOS	Closure of an LC - This is the event when the LC is finally closed after it has run its lifetime.
RAVL	Reversal of an Availment
REVR	Reversal of the Contract.
ROPN	Reopening of an LC after closure.
REVE	This event is to reverse the previous version creating event

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Common Events

Events	Description
REAS	Reassign - it means the reassignment of a contract from one user to another.
REIN	Reinstate - This means the reinstatement of an LC to its original amount. It is similar to Rollover.
TRGN	Tracer generation - Tracers are generated for Import LCs and when this is done this event is fired.
GCLM	Guarantee Claim – Processed when Claim is Lodged.
GCAM	Guarantee Claim Amendment – Processed when Claim Lodged is Amended.
GCLP	Guarantee Claim Payment – Processed when Settlement is done for Claim.
GCLR	Guarantee Claim Rejection – Processed when Claim Lodged is Rejected.

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Standard advices

S.No	Advice Description	SWIFT	Message Type
1	Acknowledgement tracer		ACK_TRACER
2	Advise of a Third Bank	710	ADV_THIRD_BANK
3	Adv to adv & confirm		ADV_TO_ADVCON
4	Pre-advice to advice		ADVICE_CL
5	Amendment of Export Credit		AMD_EXP_CR

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Standard advices

S.No	Advice Description	SWIFT	Message Type
6	Amendment of Import Credit		AMD_IMP_CR
7	On clos or canc of LC Contract	MT799	CLOSURE_ADV
8	Charges & tracer		CHG_COM_TRACER
9	Change of REB Party Id	MT799	Template
10	Closure Notice		

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Standard advices

S.No	Advice Description	SWIFT	Message Type
11	Confirmation tracer		CON_TRACER
12	Expiry Notice		EXPIRY_ADV
13	Acknowledgement of a Guarantee	768	GUA_ACK_ADVICE
14	Guarantee Amendment	767	GUA_AMD_INSTR
15	Guarantee Instrument	760	GUARANTEE

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Standard advices

S.No	Advice Description	SWIFT	Message Type
16	Covering letter to Advising Bank		ISB_ABK_CL
17	Covering letter to beneficiary		ISB_BEN_CL
18	ACK of import LC	730	LC_ACK_ADVICE
19	ACK of Amendment to LC	730	LC_ACK_AMND
20	Copy of LC Amend Instrument		LC_AM_INST_COPY

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Standard advices

S.No	Advice Description	SWIFT	Message Type
21	Amendment-auth to reimburse	747	LC_AMD_AUTH_REB
22	Amendment Instrument	707	LC_AMND_INSTR
23	Authorization to reimburse	740	LC_AUTH_REIMB
24	Cancellation Advice		LC_CANCEL_ADV
25	Cash Collateral Advices		LC_CASH_COL_ADV

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Standard advices

S.No	Advice Description	SWIFT	Message Type
26	LC CLOSURE ADVICE		LC_CLOSE_ADV
27	Copy of LC Instrument		LC_INSTR_COPY
28	L/C instrument	700	LC_INSTRUMENT
29	Insurance Company Advice		LC_INSURANCEADV
30	Pre Advice Telex	705	LC_PRE_ADVICE

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Standard advices

S.No	Advice Description	SWIFT	Message Type
31	Pre-advising a Credit		PADV_CL
32	Pre-adv to adv &		PADV_TO_ADVCON
33	Transfer of LC-Applicant		TRANSFER_APP
34	Transfer of LC-ISB		TRANSFER_ISB
35	Transfer of LC	720	TRANSFER_LC

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Standard advices

S.No	Advice Description	SWIFT	Message Type
36	Transfer of LC-New ATB		TRANSFER_NEWATB
37	Transfer of LC-New Beneficiary		TRANSFER_NEWBEN
38	Transfer of LC-Original Beneficiary		TRANSFER_ORGBEN
39	Guarantee Claim Advice		GUA_CLAIM_ADV
40	Guarantee Claim Rejection		GUA_CLAIM_REJECT
41	Trade Envelope Message	798	TRADE_ENVELOPE

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Standard Reports

- Accrual control report
- Closed out LCs report
- Commission activity report
- Commission due report
- Confirmed LCs report
- Daily activity report

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Standard Reports

- LCs due to be closed report
- LCs due to expire report
- Open ended LCs
- Un-replied tracers report
- Process exception report
- List of Overrides
- Expired LCs with O/S balance report

Thank you

