

Oracle Banking Trade Finance

Letters of Credit



Release 14.7.4.0.0 Accelerator Pack

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The Oracle logo, consisting of a solid red square with the word "ORACLE" in white, uppercase, sans-serif font centered within it.

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Oracle Banking Trade Finance Letters of Credit, Release 14.7.4.0.0 Accelerator Pack

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Preface

This manual is designed to help you to quickly get familiar with the Accelerator Pack Bills and Collections module of Oracle Banking Trade Finance.

- [Audience](#)
This document is intended for the following audience:
- [Documentation Accessibility](#)
- [Structure](#)
This manual is organized into the following chapters:
- [Diversity and Inclusion](#)
- [Related Documents](#)
- [Conventions](#)

Audience

This document is intended for the following audience:

- Back Office Data Entry Clerk
- Back Office Managers/ Officers
- Product Managers, End of Day Operators, and
- Bank's Financial Controller/Trade Finance Department Manager

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>.

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Structure

This manual is organized into the following chapters:

- Preface gives information on the intended audience, structure, and related documents for this User Manual.
- The subsequent chapters provide an overview to the module.

Diversity and Inclusion

Oracle is fully committed to diversity and inclusion. Oracle respects and values having a diverse workforce that increases thought leadership and innovation. As part of our initiative to build a more inclusive culture that positively impacts our employees, customers, and partners, we are working to remove insensitive terms from our products and documentation. We are also mindful of the necessity to maintain compatibility with our customers' existing technologies and the need to ensure continuity of service as Oracle's offerings and industry standards evolve. Because of these technical constraints, our effort to remove insensitive terms is ongoing and will take time and external cooperation.

Related Documents

For more information on any related features, you can refer to the following documents:

- Procedures User Manual
- Messaging User Manual
- Core Entities and Services User Manual
- Settlements User Manual
- Oracle Banking Common Core User Guide

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.
<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.

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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
- 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
- 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
- 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.
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
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
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		
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
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
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
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
31	Pre advising a Credit		PADV_CL

S.No	Advice Description	SWIFT	Message Type
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
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
- 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