

Export LC Advice
Oracle FLEXCUBE Universal Banking
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1. Export LC Advising Process

1.1 Introduction

A Letter of Credit contract is an instruction wherein a customer requests the bank to issue, advice or confirm an LC, for a trade transaction. Your bank thus verifies the customer limit to enable the transaction. After compliance checks and validations are performed, your bank requests an acceptance instruction from your customer. The customer may accept the data entry and may ask your bank to include further details, which if acceptable, are included in the LC transaction. If the customer modifications are not acceptable to the bank, the same can be communicated to the customer and the record may be consequently deleted.

1.2 Stages in Export LC Issuance

In ORACLE FLEXCUBE, the process for issuing an import LC is governed by several user roles created to perform different tasks. At every stage, the users (with requisite rights) need to fetch the relevant transactions from their task lists and act upon them. Similarly, at different times, the system will make calls to certain web services to process the transaction. This process is composed of the following stages:

1. Receive Export LC and Establish Authenticity
2. Inform Issuing Bank
3. Input LC Details
4. Verify Details of LC
5. Modify details of Export LC
6. Retrieve and Verify Export LC Details
7. Seek Clarification from Issuing Bank
8. Capture Remarks to Inform Issuing Bank
9. Confirmation Stage
10. Seek Issuing Bank's Approval
11. Create / Modify LC Details
12. Store Documents

Only users who have procured the relevant access rights can perform activities under a stage.

Step 1. Receive Export LC and Establish Authenticity

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

The trade finance executive initiates an Export LC Advising process based on the request received through SWIFT or mail. If the media is SWIFT, the LC is uploaded into the system automatically. However, if the medium is through mail, the LC is verified for its authenticity.

You can invoke 'Establish LC Authenticity' screen by typing 'LCDTR010' in the field at the top right corner of the Application tool bar and click the adjoining arrow. The screen is displayed below:

The screenshot displays the 'Contract Details' application window. At the top, there is a title bar with a diamond icon and the text 'Contract Details'. Below the title bar, there are several input fields and a dropdown menu. The 'Priority' dropdown is set to 'Low'. The 'Operation Code' dropdown is set to 'FLEXCUBE'. The 'Source Code' is 'FLEXCUBE'. There is a 'Confirmation required' checkbox which is unchecked. Below these fields is a navigation bar with tabs: 'Main', 'Preferences', 'Parties', 'Shipment', 'Documents', 'Tracers', and 'Advices'. The main content area is divided into three sections: 'LC Details', 'Credit', and 'Other Details'. The 'LC Details' section includes fields for 'Currency', 'Contract Amount', 'Positive Tolerance', 'Negative Tolerance', 'Max Amount', 'Liability Tolerance', 'Liability Amount', 'Tolerance Text', 'Customer', 'Customer Name', 'Party Type', 'Dated', 'Customer Reference', 'License Expiry Date', 'Remarks', 'Issue Date', 'Effective Date', 'Tenor', 'Expiry Date', 'Expiry Place', 'Closure Date', and 'Stop Date'. The 'Credit' section includes fields for 'Type', 'Mode', 'Credit Available With', 'Details', 'Amount', 'Liability', and a 'Back To Back LC' checkbox. The 'Other Details' section includes fields for 'Type of guarantee', 'Guarantee', 'INCO Term', 'INCO Description', 'Applicable Rule', and 'Rule Narrative'. At the bottom of the window, there is a navigation bar with tabs: 'Drafts', 'Commission', 'Charges', 'Settlement', 'Tax', 'Collateral', 'Events', 'Linkage Details', 'Fields', 'MIS', 'Signature Verification', and 'Documents'. Below the navigation bar, there are fields for 'Prev Remarks', 'Remarks', 'Outcome' (with an 'Audit' dropdown), and an 'Exit' button.

In this screen, you can specify the following details:

Priority

Select the priority for the creating export LC from the adjoining drop-down list. This list displays the following options

- Low
- Medium
- High

Product

Select the product from the adjacent option list. The list displays only the export LC products created in ORACLE FLEXCUBE. Click the 'P' button. The relevant details associated with the product linked to the LC advised are populated in the respective fields such as the contract and user reference numbers.

Product details are defaulted to the contract screen.

Contract Reference

The Contract Reference Number identifies a contract uniquely. It is automatically generated by the system for each contract. This number is generated once you click the 'P' button adjacent the contract reference field.

User Reference

The contract reference number is defaulted to the user reference number field on clicking the product default 'P' button. The user is allowed to modify the details.

Source Reference

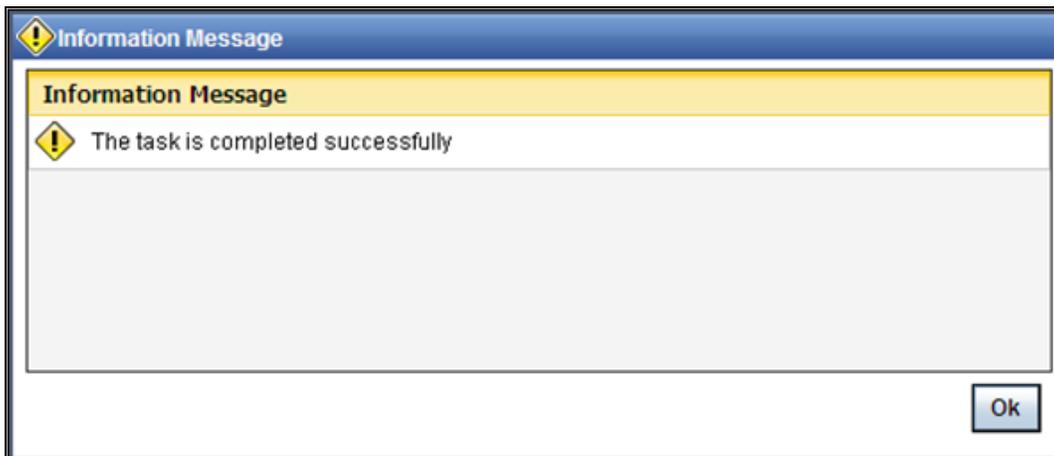
The contract reference number is defaulted to the user reference number field on clicking the product default 'P' button. The user is allowed to modify the details.

Confirmation Required

Check this option if you require confirmation for booking the Export LC.

This screen is identical to the 'Letters of Credit Contract Input' screen of ORACLE FLEXCUBE. Refer the chapter titled 'Processing a LC Contract' in the Letter of Credit User Manual for further details about the other fields in the screen.

After specifying the required details, select the outcome as 'SUCCESS'. The process will move to the 'Input LC Details' task. Else, select the outcome as 'FAILURE' and the process will move to the 'Inform Issuing Bank' task. Click the save icon in the tool bar. The following screen will be displayed.

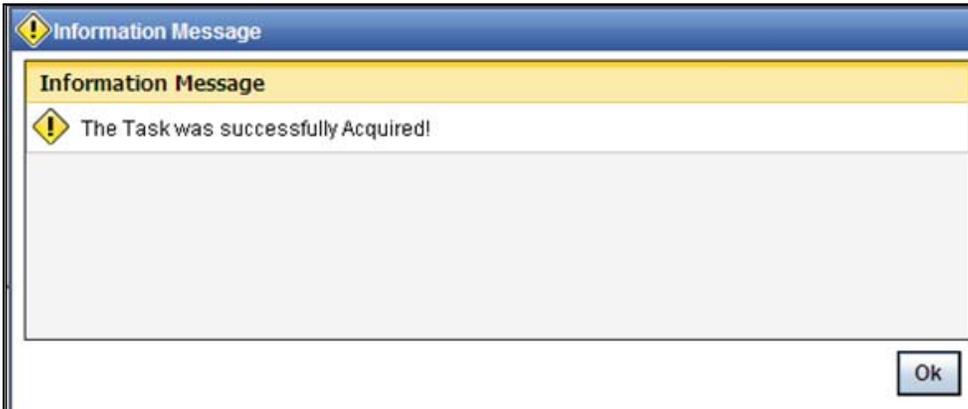


Click 'OK' button in this screen. You will be taken back to the 'Establish LC Authenticity' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 2. Inform Issuing Bank

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

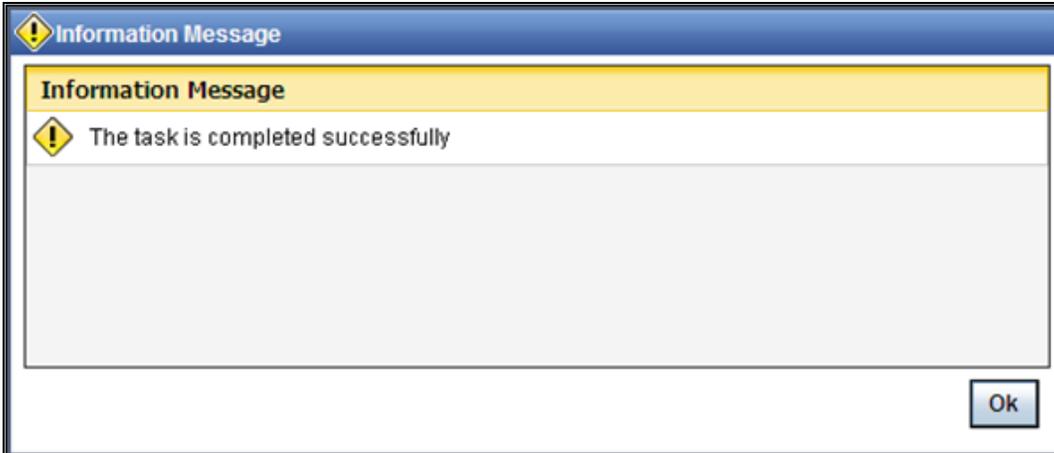
Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Inform Issuing Bank' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

A complex form titled "Contract Details" with a blue title bar. It contains several sections: "Contract Reference" with fields for Workflow Reference #, Product Code, Contract Reference, User Reference, Source Reference, Operation Code, and Source Code (set to FLEXCUBE). Below this is a navigation bar with tabs: Main, Preferences, Parties, Shipment, Documents, Tracers, Advices. The "LC Details" section includes fields for Currency, Contract Amount, Positive/Negative Tolerance, Max Amount, Liability Tolerance, and Tolerance Text. The "Credit" section includes Type, Mode, Credit Available With, Amount, and Liability. The "Other Details" section includes Type of guarantee, INCO Term, INCO Description, and Applicable Rule. At the bottom, there are tabs for Drafts, Commission, Charges, Settlement, Tax, Collateral, Events, Linkage Details, Fields, MIS, Signature Verification, and Documents. There are also fields for Prev Remarks, Remarks, Outcome (with an Audit button), and an Exit button.

After informing the issuing bank about the authentication failure, you will have to receive revised authentication. Select the outcome as proceed, once you receive the revised details. The process will move back to the 'Establish Authenticity' stage.

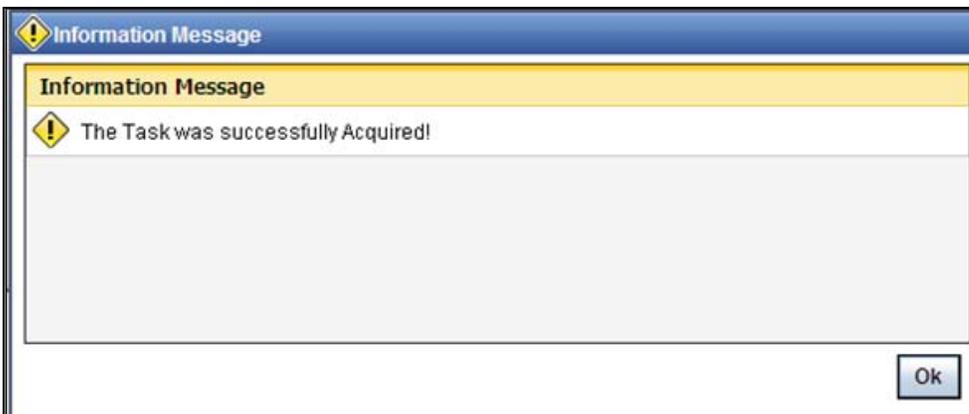


Click 'OK' button in this screen. You will be taken back to the 'Inform Issuing Bank' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 3. Input LC Details

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

On successful authentication of the details or if the request is received through the SWIFT media, you have to capture few details of export LC. Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Input LC Details' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

The uploaded LC details are reflected in this screen. You can input additional details for booking a contract.

Refer the chapter titled 'Processing a LC Contract' in the Letter of Credit User Manual for further details.

STOP For incoming MT700 message, if the message type is 'Business Task', the MT700 Export LC Initiation business task will be available at this stage. Click the 'STP Error Details' button to view the details of the STP error.

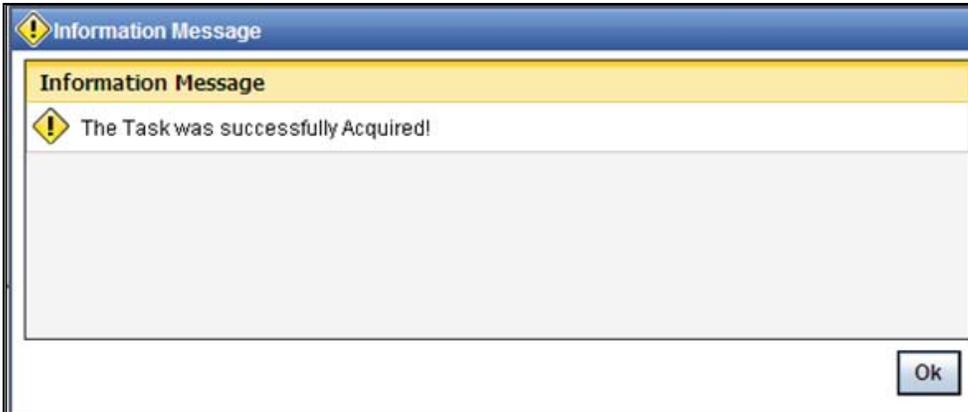
After specifying the required details, select the outcome as 'PROCEED'. The process will move to the 'Verify Details of Export LC' task. Click the save icon in the tool bar. The following screen will be displayed.

Click 'OK' button in this screen. You will be taken back to the 'Enrich Contract Details' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 4. Verify Details of LC

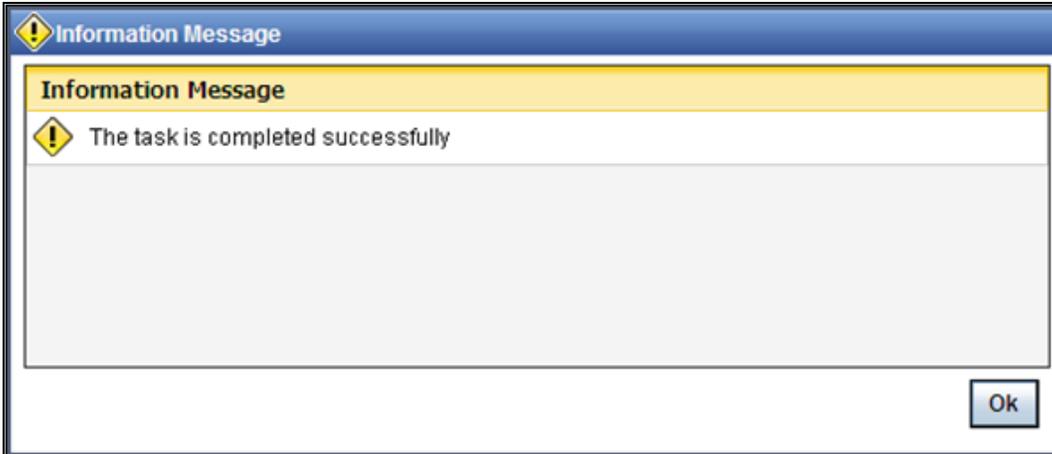
Users belonging to the user role 'TFMROLE' (Trade Finance Manager) can perform these activities.

Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Verify Details of LC' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

Here you can view the details captured. After successfully verifying the details, select the outcome as 'Verification Successful'. The process will move to the 'Retrieve and Verify Details of LC' task. If the verification has failed for some reason, select the outcome as 'Verification Failed'. In this case, the process will move to the 'Modify Details' task. Click save icon in the tool bar to save the record. The following screen will be displayed:



Click 'OK' button in this screen. You will be taken back to the 'Verification of Details' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 5. Modify details of Export LC

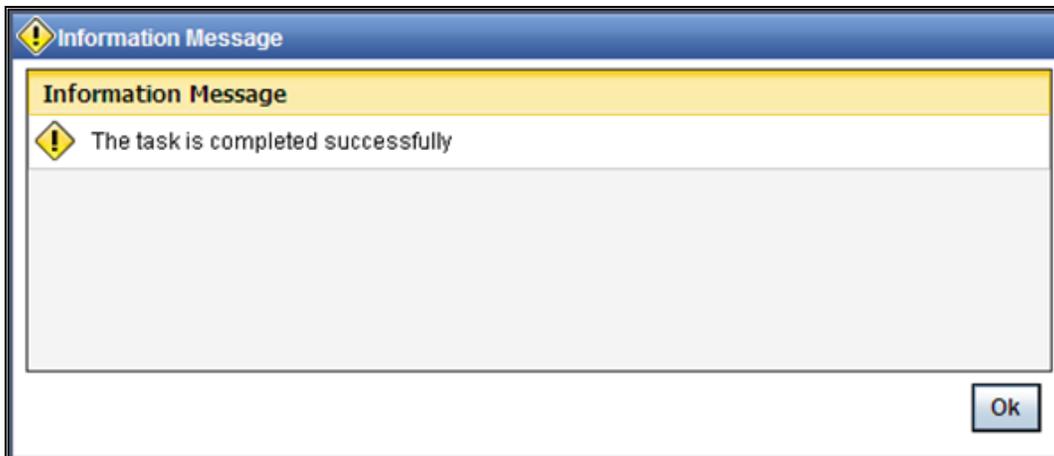
Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

In case of unsuccessful verification, you may have to modify few details and revalidate the same. Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the required task to acquire it. The following screen will be displayed.



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

In this screen you can modify the editable fields. After modify the required details, click save icon in the tool bar. The process will move back to the 'Verify Details of Export LC' task. Click save icon in the tool bar to save the record. The following screen will be displayed:



Click the 'OK' button in this screen. You will be taken back to the 'Modify Contract Details' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 6. Retrieve and Verify Export LC Details

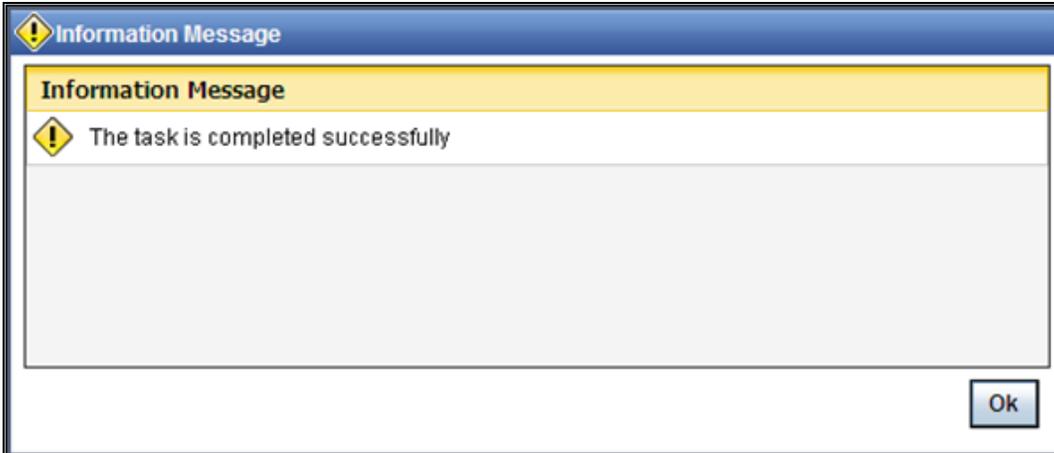
Users belonging to the user role 'TFMROLE' (Trade Finance Manager) can perform these activities.

In this stage, you have to retrieve the export LC details and verify the entire details again. To verify the details, go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Retrieve and Verifying details of LC' task to acquire it. The following screen will be displayed.



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

Here you can view the details of Export LC. After verifying the details, you can either select 'Approve', 'Reject' or 'Seek Clarification' as the outcome. If you have selected the outcome as approved, the process will move on to the 'Advise and Confirm' task. Similarly, if the creation of export LC is rejected, the process will be move to the 'Capture Remarks' task and if the verification is not successful, the process will be move to the 'Seek Clarification' task. Click save icon in the tool bar to save the record. The following screen will be displayed:

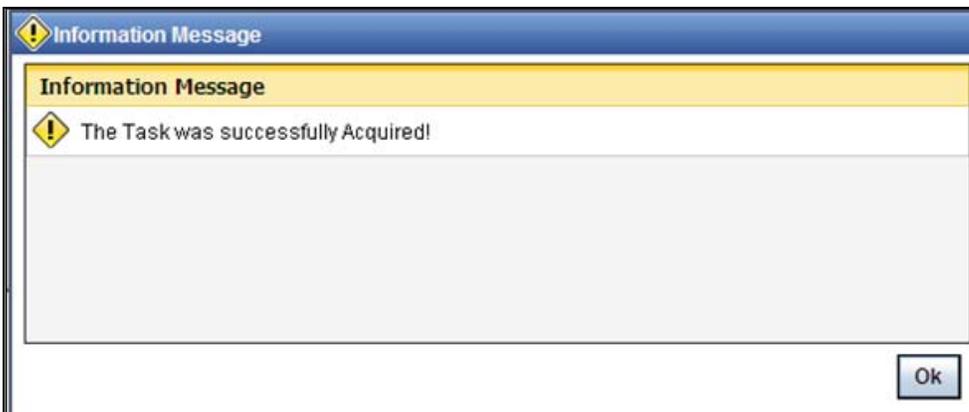


Click 'OK' button in this screen. You will be taken back to the 'Receive Revised Authentication Details' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 7. Seek Clarification from Issuing Bank

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

If the verification is not successful, then you will have to seek clarification from the issuing bank. Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Seek Clarification from Issuing Bank' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

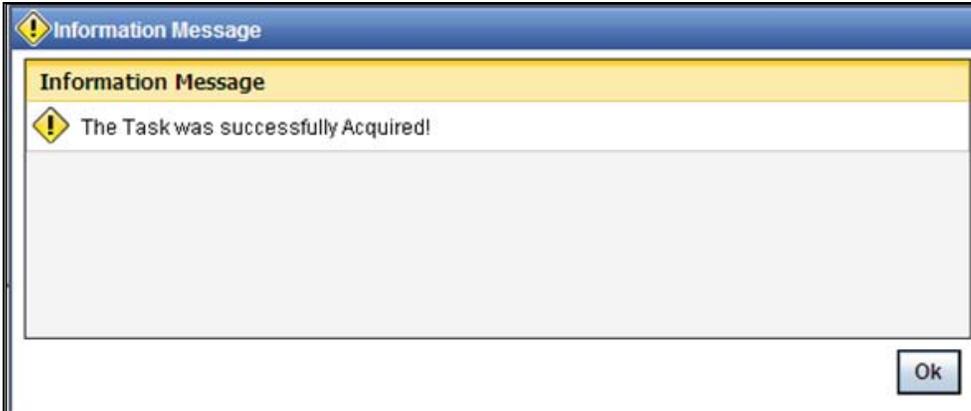
After receiving the clarification from the issuing bank, select the outcome as 'Proceed'. The process will move to the 'Retrieve and Verify Details of LC' task. Click the save icon in the tool bar. The following screen will be displayed.

Click 'OK' button in this screen. You will be taken back to the 'Seek Clarification from LC Issuing Bank' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

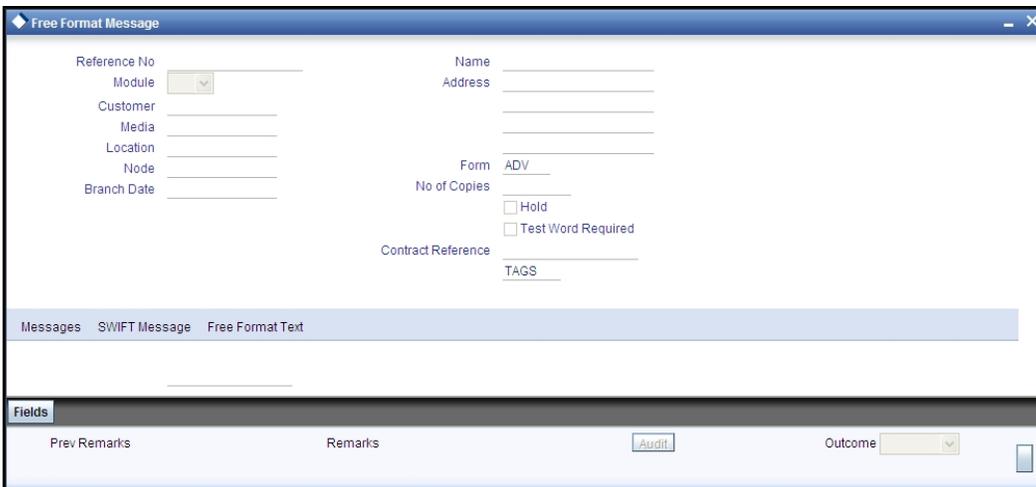
Step 8. Capture Remarks to Inform Issuing Bank

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

You have to inform the issuing bank if the creation of the export LC is rejected. For this, you have to specify the reason for rejecting. To accomplish, go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Capture Remarks to inform Issuing bank' task to acquire it. The following screen will be displayed.



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:



In this screen, capture the following details:

Reference No

Specify a reference number for capturing the message.

Media

Specify the media through which you want to capture and send message to Issuing bank. You can also select the media from the adjacent option list. The list displays the following options:

- SWIFT
- Message
- Free Text

Based on the media selected, you can capture the message to be informed the issuing bank in the below section of the screen.

On selecting the media, the name and address of the customer maintained in the 'Customer Address Maintenance' screen is displayed.

Location

Specify the location of the issuing bank. You can also select the location from the adjacent option list.

Node

Specify the node for routing the message. You can also select the node from the adjacent option list. The list displays all the nodes maintained in the system.

Form

Specify the forms uploaded while creating the Export LC. You can also select the form from the adjacent option list. The list displays all the forms maintained in the system.

Copies

Specify the number of copies of the documents.

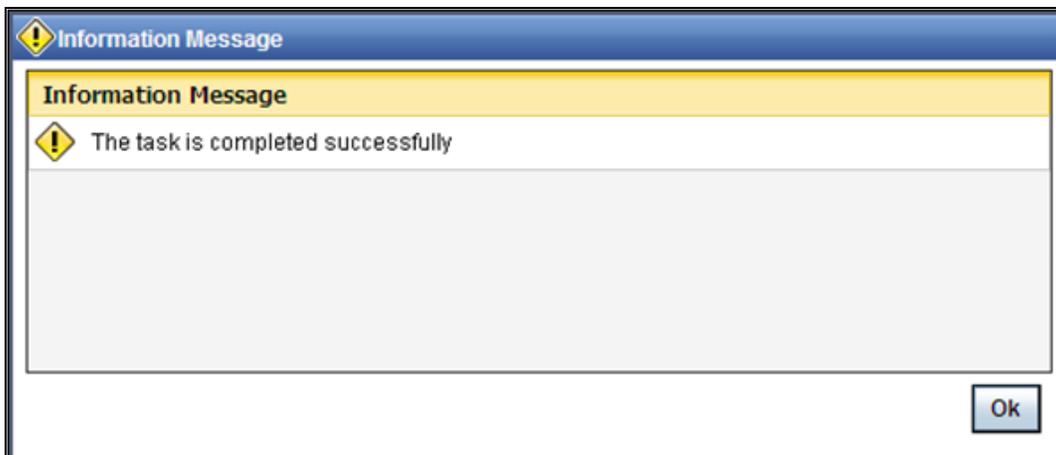
Hold

Check this option if the Export LC is kept on hold.

Test Word Required

Check this option if a test word is required from the issuing bank.

After capturing the remarks to inform issuing bank, select the outcome as 'Proceed'. The process will move to the 'Store Documents' task. Click the save icon in the tool bar. The following screen will be displayed.



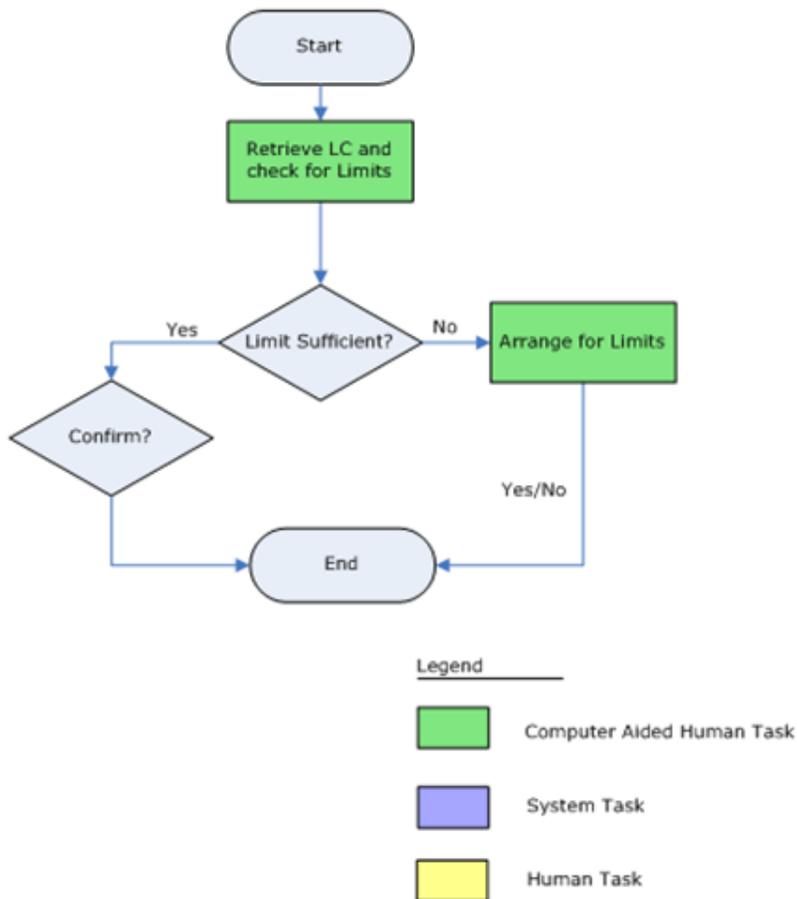
Click 'OK' button in this screen. You will be taken back to the 'Capture of FFT' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

Step 9. Confirmation Stage

Before creating an export LC contract, you have to check the available limits and confirm the LC. This involves the following steps:

- Retrieve the details of LC and check for limits
- Arrange for funds if insufficient (human task which will happen outside the flow)
- Confirm or not confirm and pass the result to parent process.

9.1. Process Flow Diagram



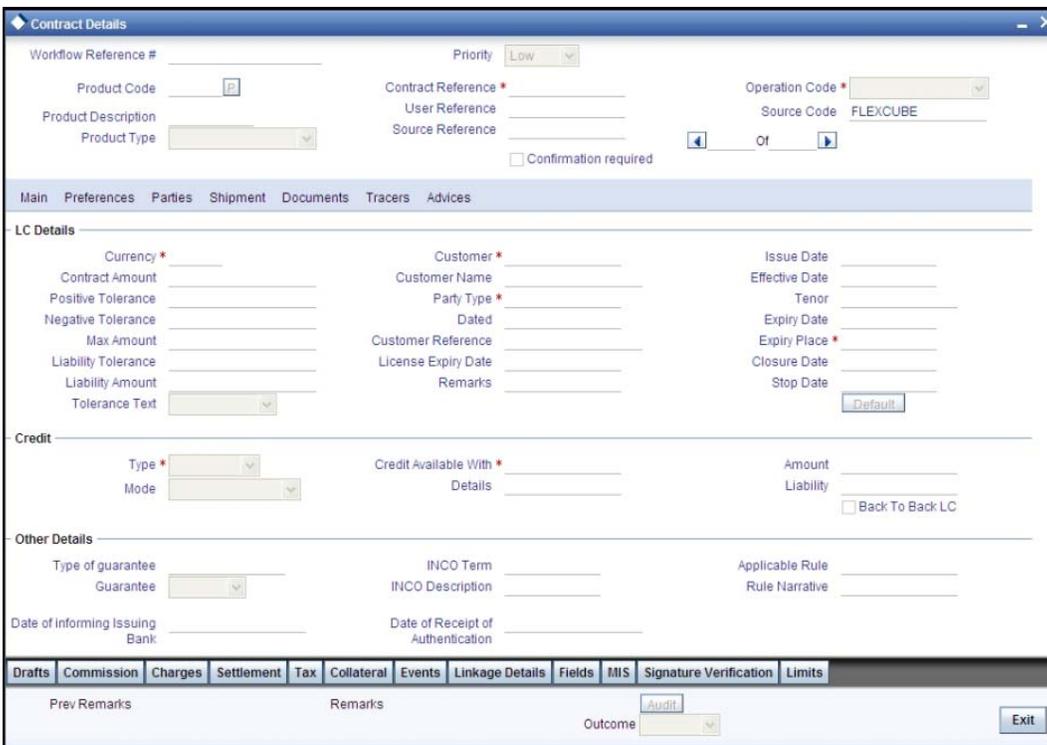
9.2. Retrieve LC Details

Users belonging to the user role 'CBRRROLE' (Correspondent Bank Relation) can perform these activities.

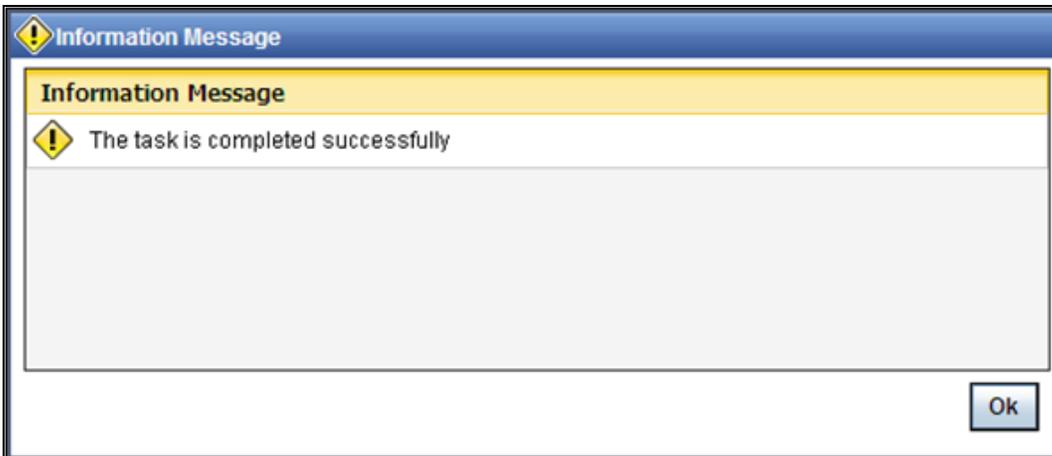
Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Retrieve LC Details' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:



In this stage, the LC Contract details are retrieved and checked for the limit level. If the required level is available, select the outcome as 'SUFFICIENT'. The process will move to the 'Create/Modify details of LC' task. Similarly, if the limit is insufficient, then select the outcome as 'NOTSUFFICIENT'. The process will move to the 'Arrange for Funds' stage. Click the save icon in the tool bar. The following screen will be displayed.

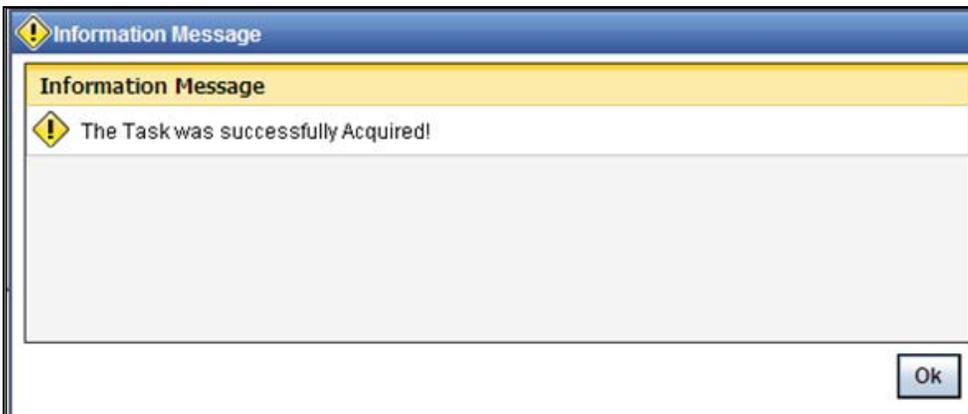


Click 'OK' button in this screen. You will be taken back to the 'Retrieve and Check Existing Limits' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

9.3. Arrange for Funds

Users belonging to the user role 'CBRRROLE' (Correspondent Bank Relation) can perform these activities.

Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Arrange for Limits' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

At this stage, in case of insufficient funds, the customer will have to arrange funds outside the workflow. Once the customer has arranged for the fund, select the outcome as 'ARRANGED'. The export LC creation will be confirmed and the process will move to 'Create/Modify details of LC' task. If the fund is not arranged, then select the outcome as 'NOTARRANGED'. The process will be moved to the 'Seek Issuing Bank's Approval' task. The process will be stagnant in this stage until the fund is arranged. Click the save icon in the tool bar. The following screen will be displayed.

Click 'OK' button in this screen. You will be taken back to the 'Arrange for Limits' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

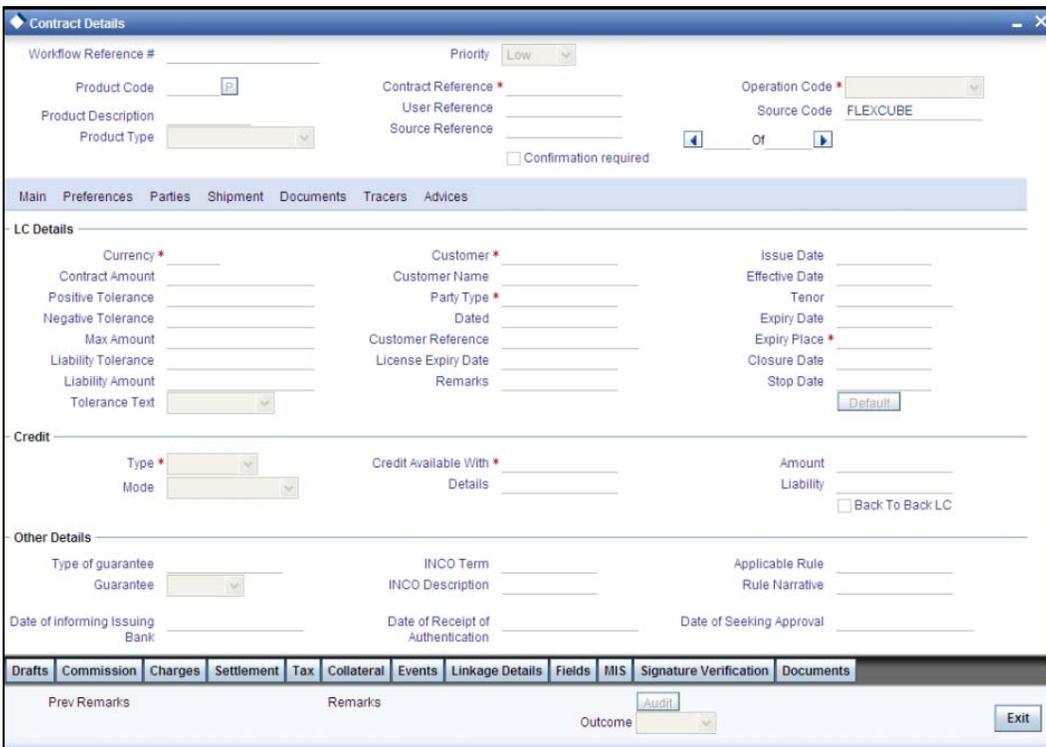
Step 10. Seek Issuing Bank's Approval

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

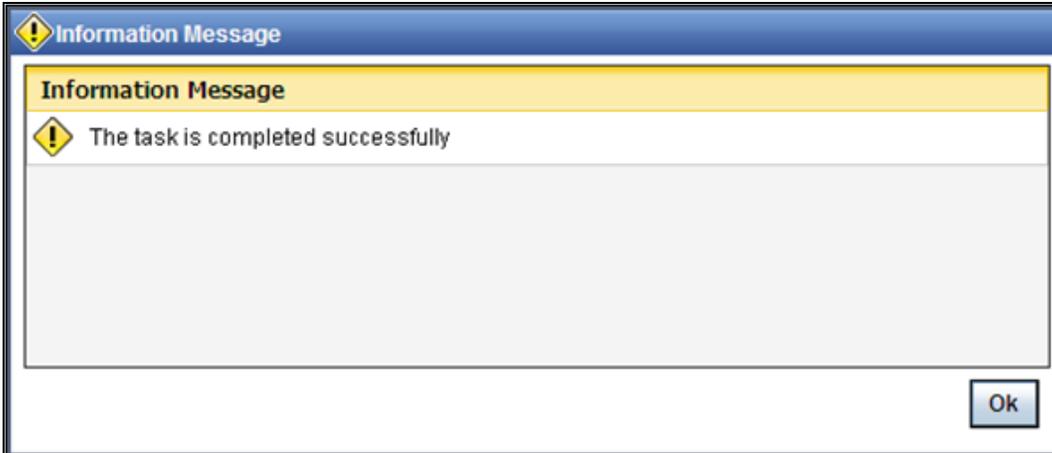
You will have to seek the issuing bank approval if the LC is not conformed. Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Seek Issuing Bank Approval' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:



Based on the response received from the issuing bank, you can reject or approve the creation of export LC. If the outcome is 'Reject', the process will be terminated. Else, the process will move into the 'Create/Modify Details of LC' task. Click the save icon in the tool bar. The following screen is displayed:



Click 'OK' button in this screen. You will be taken back to the 'Seek Approval for Advising Export LC' screen. Click 'Exit' button to exit the screen. The task is then moved to the next activity.

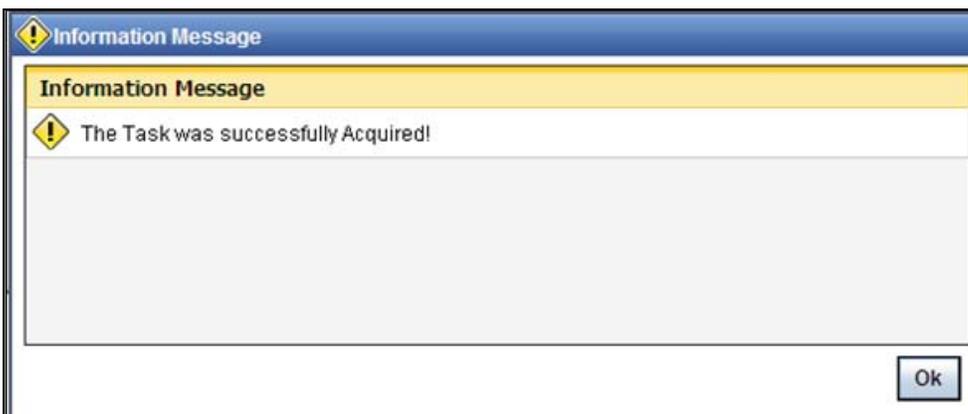
Step 11. Create / Modify LC Details

After the LC confirmation, the export LC contract is automatically created in the system and a reference number is created for the same. You can use this reference number for further references. The data captured at the input stage are reflected in the 'Letter of Credit Contract Input' screen. You can view or modify the details of the contract in the 'Letter of Credit Contract Input' screen.

Step 12. Store Documents

Users belonging to the user role 'TFEROLE' (Trade Finance Executive) can perform these activities.

You have to store the documents received from the issuing bank. Go to the pending list in the system. The system displays all the pending activities. Click 'Acquire' button adjoining the 'Store Documents' task to acquire it. The following screen is displayed:



If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen:

In this screen the following information can be stored:

LC Details

The following customer information is displayed:

- Contract reference number
- Customer name
- Customer number

Storage Details

Capture the following storage details in this section:

Storage Ref. Number

Specify the storage reference number.

Place Of Storage

Mention the place where the document is stored.

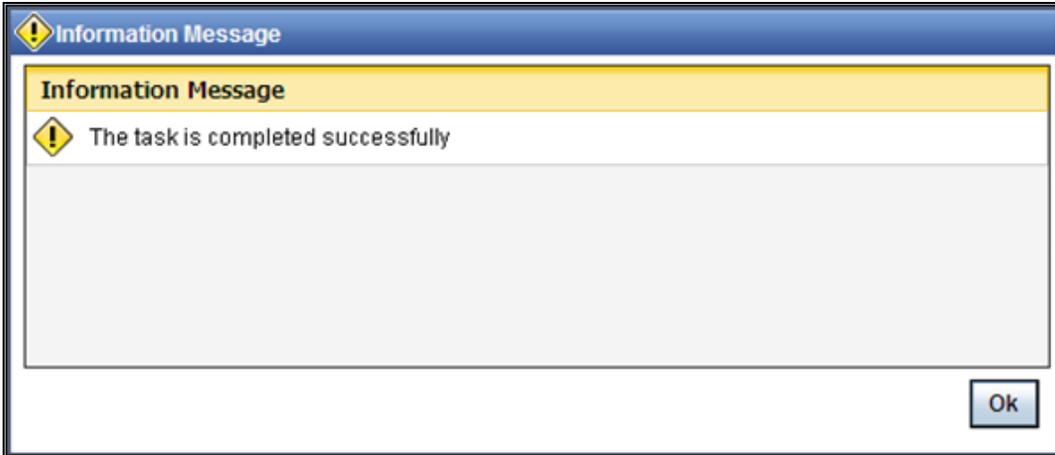
Date Of Storage

Capture the date of storing the documents.

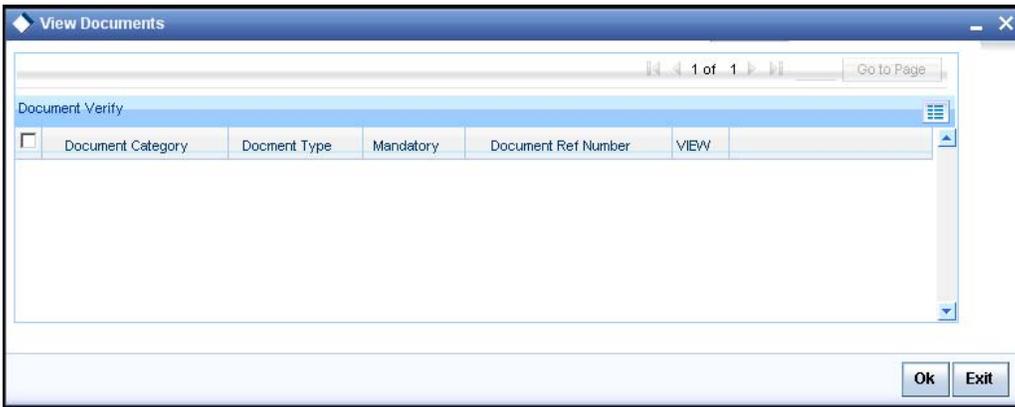
Time Of Storage

Specify the time of storing the documents export LC documents.

Select the action 'Document Stored' in the textbox adjoining the 'Audit' button in this screen and save the record by clicking the save icon in the tool bar. The following screen will be displayed:



Click 'Ok' button. You will be taken back to the 'Store Documents' screen. Click 'Documents' button to view the documents stored. The following screen is displayed:



2. Screen Glossary

2.1 Function ID List

The following table lists the function id and the function description of the screens covered as part of this User Manual.

Function ID	Function Description
LCDTR010	Contract Details



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