

# Oracle Banking Trade Finance

## Islamic Letters of Credit



Release 14.7.5.0.0 Accelerator Pack  
G15643-01  
September 2024



Oracle Banking Trade Finance Islamic Letters of Credit, Release 14.7.5.0.0 Accelerator Pack

G15643-01

Copyright © 2007, 2024, Oracle and/or its affiliates.

Primary Authors: (primary author), (primary author)

Contributing Authors: (contributing author), (contributing author)

Contributors: (contributor), (contributor)

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish, or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

If this is software, software documentation, data (as defined in the Federal Acquisition Regulation), or related documentation that is delivered to the U.S. Government or anyone licensing it on behalf of the U.S. Government, then the following notice is applicable:

U.S. GOVERNMENT END USERS: Oracle programs (including any operating system, integrated software, any programs embedded, installed, or activated on delivered hardware, and modifications of such programs) and Oracle computer documentation or other Oracle data delivered to or accessed by U.S. Government end users are "commercial computer software," "commercial computer software documentation," or "limited rights data" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, the use, reproduction, duplication, release, display, disclosure, modification, preparation of derivative works, and/or adaptation of i) Oracle programs (including any operating system, integrated software, any programs embedded, installed, or activated on delivered hardware, and modifications of such programs), ii) Oracle computer documentation and/or iii) other Oracle data, is subject to the rights and limitations specified in the license contained in the applicable contract. The terms governing the U.S. Government's use of Oracle cloud services are defined by the applicable contract for such services. No other rights are granted to the U.S. Government.

This software or hardware is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications that may create a risk of personal injury. If you use this software or hardware in dangerous applications, then you shall be responsible to take all appropriate fail-safe, backup, redundancy, and other measures to ensure its safe use. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software or hardware in dangerous applications.

Oracle®, Java, MySQL, and NetSuite are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Inside are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Epyc, and the AMD logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark of The Open Group.

This software or hardware and documentation may provide access to or information about content, products, and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services unless otherwise set forth in an applicable agreement between you and Oracle. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services, except as set forth in an applicable agreement between you and Oracle.

# Contents

## Preface

---

Audience	iv
Documentation Accessibility	iv
Structure	iv
Diversity and Inclusion	v
Related Documents	v
Conventions	v

## 1 Introduction

---

## 2 Functional Operations features

---

## 3 Common Events

---

## 4 Standard advices

---

## 5 Standard Reports

---

# Preface

This manual is designed to help you to quickly get familiar with the Accelerator Pack Islamic Letter of Credit 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>.

- [Access to Oracle Support](#)

## Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

## 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
<b>boldface</b>	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.

# 1

## Introduction

- Islamic 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 profit earning service for any bank.

# 2

## Functional Operations features

- Issuing Islamic Letter of Credit/Guarantee
- Sight and Usance Islamic LCs
- Revolving & Non Revolving Islamic LCs
- Marking acknowledgment on receipt of Documentary Credit
- Manual Availment
- Revolve by Time/Value
- Generation of Advices and Messages
- Amendment Confirmation for LI and Islamic Guarantee
- Reversal of Availment
- Contract Reversal
- Pre closure of Islamic LCs
- Pre advice of import and export Islamic LCs
- Support for shipping Guarantees
- Support for Standby Islamic LC's
- Linkage of Accounts and creation of amount block
- Provision to Validate Message generation during contract save
- Substitution for SWIFT Characters(x and z Character set)
- Processing of Islamic Back to back LCs
- Transfer of Islamic LCs/Guarantees
- Collection of cash collaterals
- Transfer of Cash collaterals from Islamic LC to Islamic Bills
- Tracking of Limits and Collaterals
- Limits tracking for Liability Margin for Import LC
- Auto creation of Loans for Cash collateral
- FIFO/LIFO methods for profit calculation
- Event Reversal for Version creating Events
- Provision to Validate Message generation during contract save
- Substitution for SWIFT Characters(x and z Character set)
- Event Reversal for Version creating Events
- Silent Confirmation for Export LCs

# 3

## 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.
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.
REVE	This event is to reverse the previous version creating event



# 4

## 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

---

<b>S.No</b>	<b>Advice Description</b>	<b>SWIFT</b>	<b>Message Type</b>
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

# 5

## Standard Reports

- LCs due to be closed report
- LCs due to expire report
- Open ended Islamic LCs
- Un replied tracers report
- Process exception report
- Overrides Report
- Expired LCs with O/S balance report
- Accrual control report
- Confirmed LCs report
- Daily activity report