

Oracle Banking Trade Finance

Letters of Credit Accelerator Pack



Release 14.7.6.0.0

G32639-01

April 2025

ORACLE®

Copyright © 2007, 2025, Oracle and/or its affiliates.

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

| | |
|-----------------------------|----|
| Purpose | iv |
| Audience | iv |
| Documentation Accessibility | iv |
| Critical Patches | v |
| Diversity and Inclusion | v |
| Structure | v |
| Related Documents | v |
| Conventions | v |

| | |
|---|--------------------------------|
| 1 | Introduction |
| 2 | Functional Operations features |
| 3 | Common Events |
| 4 | Standard advices |
| 5 | Standard Reports |

Preface

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

Purpose

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

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.

Critical Patches

Oracle advises customers to get all their security vulnerability information from the Oracle Critical Patch Update Advisory, which is available at [Critical Patches](#), [Security Alerts and Bulletins](#). All critical patches should be applied in a timely manner to ensure effective security, as strongly recommended by [Oracle Software Security Assurance](#).

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.

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.

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. |
| <code>monospace</code> | Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter. |

1

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.

2

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

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 |
| 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. |

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 |

| 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 |

5

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