

Netting

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Netting Definition

- In Oracle Fusion, netting refers to the process of offsetting payables and receivables between two or more parties to reduce the number of transactions and associated costs.
- **Netting Agreements:**

These agreements define the rules for netting, including the types of transactions (e.g., invoices, credit memos) and the parties involved.

- **Receivables and Payables:**

Netting involves offsetting amounts owed to and by a company with the same counterparty.

- **Counterparties:**

These are the parties with whom a company has a trading relationship and can be customers or suppliers.

- **Netting Transactions:**

These are the specific transactions that are identified for netting based on the netting agreements and rules.

- **Netting Settlement:**

This is the process of settling the netted transactions, often through system-generated payments.

How Netting Works in Oracle Fusion:

1. **Define Netting Agreements:**

Establish rules that specify which transactions are eligible for netting, such as specific invoice types or customer/supplier relationships.

2. **Identify Netting Transactions:**

Run a netting process that identifies transactions that match the defined netting agreement rules.

3. Create Netting Settlement:

Create a netting settlement to initiate the process of offsetting the identified transactions.

4. Settlement:

The system settles the netted transactions, reducing the number of payments and potentially leading to cost savings.

Benefits of Netting:

- **Reduced Payment Volume:** Netting reduces the number of individual payment transactions, leading to lower transaction fees and processing costs.
- **Lower Payment Costs:** Fewer transactions mean less time and effort spent on payment processing.
- **Reduced Bank Fees:** Fewer transactions can also result in lower bank fees.
- **Improved Cash Flow:** Netting can improve cash flow by reducing the amount of cash that needs to be moved between parties.
- **Lower Transaction Risk:** By offsetting transactions, netting reduces the risk associated with multiple payments.

Example:

Imagine a company both buys from and sells to the same supplier. Instead of two separate payments (one for the sale and one for the purchase), the amounts can be netted, and only the net difference needs to be paid.

Netting in Oracle Fusion allows the automatic settlement of Payables and Receivables transactions between a single customer and supplier (trading partner). The following are the key **setup and process steps** required:

A. Setup Steps

1. Assign Security Role

- **Role Required:** Customer and Supplier Balance Netting Duty
- **Navigation:** Tools > Security Console
- **Purpose:** Only users with this role can create Netting Agreements and process Netting Settlements.

2. Manage Payment Methods

- **Navigation:** Setup and Maintenance > Task: Manage Payment Methods
- **Requirement:** Mandatory
- **Purpose:** Define payment methods applicable for netting.

3. Manage Document Sequence Categories

- **Navigation:** Setup and Maintenance > Task: Manage Document Sequence Categories
- **Requirement:** Optional
- **Purpose:** For sequencing netting documents (if required for legal compliance).

4. Manage Bank Accounts

- **Navigation:** Setup and Maintenance > Task: Manage Bank Accounts
- **Requirement:** Mandatory
- **Purpose:** Assign a bank account to be used in netting settlements.

5. Manage Receipt Classes and Methods

- **Navigation:** Setup and Maintenance > Task: Manage Receipt Classes and Methods
- **Requirement: Mandatory**
- **Purpose:** Define the receipt class/method used during netting.

6. Allow Payment of Unrelated Transactions

- **Requirement: Mandatory** if netting across multiple BUS
- **Navigation:** Setup and Maintenance > Receivables System Options

7. Manage Receivables Transaction Types

- **Navigation:** Setup and Maintenance > Task: Manage Transaction Types
 - **Requirement: Mandatory**
 - **Purpose:** Required for the creation of netting settlement transactions.
-



Step 1: Security – Create Custom Role for Netting Access

- The **duty role** Customer and Supplier Balance Netting Duty is required for users who will create netting agreements and process netting settlements.
- Since this is a **duty role** and not a job role, it **cannot be directly assigned** to a user.
- Therefore, you must:

Create a Custom Job Role for Netting

1. **Navigation:**

Go to Tools > Security Console > Roles

2. **Click Create Role**

3. **Enter Role Details:**

- **Role Name:** e.g., Netting
- **Role Code:** e.g., NETTING
- **Role Category:** Financials – Job Role

4. **Add Role Hierarchy:**

- On the **Role Hierarchy** step, click **Add Duty Roles**
- Search and add:
✓ Customer and Supplier Balance Netting Duty

5. Add User to the Role:

- On the **Users** step, click **Add User**
- Search for and select the user(s) who need access
- Click **OK**

6. Finish and Publish the Role

The screenshot shows the Oracle Create Role Netting interface. The top navigation bar has steps 1 through 8: Basic Information, Function Security Policies, Permission Groups, Data Security Policies, Role Hierarchy, Segregation of Duties, Users, and Summary. Step 1 is highlighted. Below the navigation is a title 'Create Role Netting: Basic Information'. The main form has fields for 'Role Name' (Netting), 'Role Code' (Netting), and 'Role Category' (Financials - Job Roles). A 'Description' text area is present. At the bottom right is an 'Information' icon. The 'Next' button is highlighted with a red box.

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Basic Information Security Policies Permission Groups Data Security Policies Role Hierarchy Segregation of Duties Users Summary

Create Role Netting: Role Hierarchy

Back Next Cancel

Roles and Privileges Roles and Permission Groups

View ▾ + Add Role Delete Export to Excel Load Inherited Roles Detach

Role Name	Role Code	Inherited by Role Name	Inherited by Role Code
Netting	Netting		

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Basic Information Security Policies Permission Groups Data Security Policies Role Hierarchy Segregation of Duties Users Summary

Create Role Netting: Role Hierarchy

Back Next Cancel

Roles and Privileges Roles and Permission Groups

View ▾ + Add Role Delete Export to Excel

Role Name	Role Code
Netting	Netting

Add Role Membership

Search Result Count : 0

No data to display.

DUTY ROLES

Customer and Supplier Balance Netting
ORA_1E_CUSTOMERS_AND_SUPPLIER_BALANCE_NETTING_DUTY_ORA_1E_CUSTOMER_AND_SUPPLIER_BALANCE_NETTING_DUTY

Customer and Supplier Balance Netting
ORA_1E_CUSTOMER_AND_SUPPLIER_BALANCE_NETTING_DUTY

Inherited by Role Code

Add Role Membership Cancel

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Basic Information Security Policies Permission Groups Data Security Policies Role Hierarchy Segregation of Duties Users Summary

Create Role Netting: Users

Back Next Cancel

Roles and Privileges Roles and Permission Groups

+ Add User Delete Detach

User Login	Display Name

Step 2: Manage Payment Methods

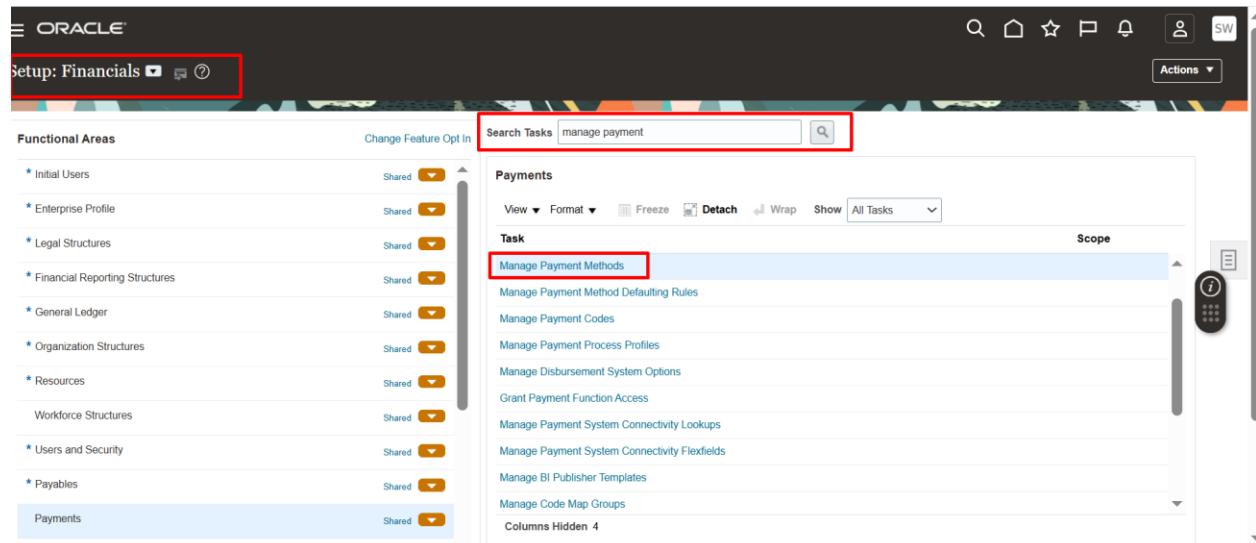
Configure payment methods to ensure proper handling of netting settlements.

Navigation:

Setup and Maintenance > Search Task: **Manage Payment Methods**

Instructions:

1. Click **Create** to define a new payment method (if required), or search and edit an existing one.
2. Enter the following:
 - **Code:** A unique identifier (e.g., NETTING)
 - **Name:** Descriptive name (e.g., Netting Payment Method)
3. Save and close the setup.



The screenshot shows the Oracle Payables application interface for editing a payment method. Key fields highlighted with red boxes include the Name ('Netting Payment Method') and Code ('NETTING1'). Other visible fields include Description and Alias. On the right, date ranges are specified from 1/1/25 to m/d/yy. Navigation tabs like Usage Rules, Validations, Bills Payable, and Additional Information are present. Under the Bills Payable tab, the 'Automatically assign payment method to all payees' checkbox is highlighted. Under the Payables tab, the 'Enable for use in Payables' checkbox is also highlighted. Business units are set to All.

Step 3: Manage Document Sequence Categories

Configure document sequencing to ensure legal compliance and proper tracking of netting transactions, if required by your business or localization.



Setup and Maintenance > Search Task: Manage Document Sequence Categories



Click Create to define a new document sequence category or search and edit an existing one.

Enter the required fields:

Application: Select Payables

Category Name: e.g., Netting Payment Method

Category Code: NETTING1

Table: AP_CHECKS_ALL

Click Save and Close

◆ Note: You must also assign this category to a document sequence under the Manage Document Sequences task, and then associate it with a ledger or legal entity if needed.

The image consists of two screenshots of the Oracle Financials setup interface.

Top Screenshot: Shows the 'Initial Users' page. The left sidebar lists functional areas: Initial Users, Enterprise Profile, Legal Structures, Financial Reporting Structures, General Ledger, Organization Structures, Resources, Workforce Structures, Users and Security, Payables, and Payments. Each item has a 'Shared' dropdown menu. The main area shows a task named 'Run User and Roles Synchronization Process'. The toolbar at the top includes a search bar, a 'Search' button, and other navigation icons. A red box highlights the 'Search' button in the toolbar.

Bottom Screenshot: Shows a search results page with the search term '%manage%seq%'. The results list various tasks, with the 'Manage Document Sequence Categories' task highlighted by a red box. The results table has columns for Name, Type, and Details.

Name	Type	Details
Manage Accounting and Reporting Sequences	Task	
Manage Business Unit Document Sequences	Task	
Manage Document Sequence Categories	Task	
Manage Document Sequences	Task	
Manage Ledger Document Sequences	Task	
Manage Legal Document Sequences	Task	
Manage Payables Document Sequences	Task	
Manage Public Unique Identifier Sequence Generation	Task	
Manage Receivables Document Sequences	Task	
Manage Release Sequence Rules	Task	

Manage Document Sequence Categories ②

Search

Application	Category Code	Category Name	Module	Table	Description
Payables	NETTING1	Netting Payment Method	Payables	AP_CHECKS_ALL	Netting Payment Method

Actions ▾ View ▾ Format ▾ + Freeze Detach Wrap

Save Save and Close Cancel

Search Results

Search

Reset

Search

%manage%seq%

Match With Tasks, Task Lists Business Objects

Name	Type	Details
Manage Accounting and Reporting Sequences	Task	
Manage Business Unit Document Sequences	Task	
Manage Document Sequence Categories	Task	
Manage Document Sequences	Task	
Manage Ledger Document Sequences	Task	
Manage Legal Document Sequences	Task	
Manage Payables Document Sequences	Task	
Manage Public Unique Identifier Sequence Generation	Task	
Manage Receivables Document Sequences	Task	
Manage Release Sequence Rules	Task	

Done

Search Results

Actions ▾ View ▾ Format ▾ + Freeze Detach Wrap

Document Sequence Name	Application	Module	Type	Determinant Type	Start Date	End Date
NETTING	Payables	Payables	Gapless	Ledger	1/1/23	m/d/yy
Netting Dec Seq	Payables	Payables	Gapless	Legal entity	9/1/24	m/d/yy

NETTING: Assignment

Actions ▾ View ▾ Format ▾ + Freeze Detach Wrap

Document Sequence Category Name	Method	Start Date	End Date	Ledger Value
Netting Payment Method	Automatic	1/1/23	m/d/yy	YG EG

◆ Note (Receivables Netting):

Oracle already provides a predefined **Document Category** for **Receivables netting**. You do not need to create a new one.

Simply **search using ORA_AP/AR Netting%** in the category field under **Manage Document Sequences**, and you will find the predefined Receivables category.

You only need to **create a document sequence** and **assign it to the existing category**.

The image consists of two screenshots of the Oracle Financials application interface.

Top Screenshot: Shows the 'Initial Users' page. The left sidebar lists various functional areas like 'Initial Users', 'Enterprise Profile', 'Legal Structures', etc. The main area shows a table with a single row: 'Run User and Roles Synchronization Process'. The right sidebar contains a list of actions such as 'Manage Implementation Projects', 'Copy Configurations', etc. A red box highlights the 'Search' button in the toolbar at the top right of the main area.

Bottom Screenshot: Shows a search results page with the search term '%manage%seq%' entered in the search bar. The results list several items under the heading 'Match With Tasks, Task Lists, Business Objects'. One item, 'Manage Document Sequence Categories', is highlighted with a red box. The results table has columns for 'Name', 'Type', and 'Details'.

Name	Type	Details
Manage Accounting and Reporting Sequences	Task	
Manage Business Unit Document Sequences	Task	
Manage Document Sequence Categories	Task	
Manage Document Sequences	Task	
Manage Ledger Document Sequences	Task	
Manage Legal Document Sequences	Task	
Manage Payables Document Sequences	Task	
Manage Public Unique Identifier Sequence Generation	Task	
Manage Receivables Document Sequences	Task	
Manage Release Sequence Rules	Task	

Manage Document Sequence Categories

Search

Application	ORA_AP/AR Netting
Category Code	ORA_AP/AR Netting
Category Name	ORA_AP/AR Netting
Module	Receivables

Search Results

Application	Category Code	Category Name	Module	Table	Description
Receivables	ORA_AP/AR Netting	ORA_AP/AR Netting	Receivables	AR_CASH_RECEIPTS_ALL	ORA_AP/AR Netting

Search

%manage%seq%

Match With Tasks, Task Lists, Business Objects

Name	Type	Details
Manage Accounting and Reporting Sequences	Task	
Manage Business Unit Document Sequences	Task	
Manage Document Sequence Categories	Task	
Manage Document Sequences	Task	
Manage Ledger Document Sequences	Task	
Manage Legal Document Sequences	Task	
Manage Payables Document Sequences	Task	
Manage Public Unique Identifier Sequence Generation	Task	
Manage Receivables Document Sequences	Task	
Manage Release Sequence Rules	Task	

Search Results

Actions ▾ View ▾ Format ▾ Detach ▾ Wrap

Document Sequence Name	Application	Module	Type	Determinant Type	Start Date	End Date
AR Netting	Receivables	Receivables	Gapless	Ledger	1/1/25	m/d/yy

AR Netting : Assignment

Actions ▾ View ▾ Format ▾ Detach ▾ Wrap

Document Sequence Category Name	Method	Start Date	End Date	Ledger Value
ORA_AP/AR Netting	Automatic	1/1/25	m/d/yy	YG EG

Step 4: Manage Bank Accounts

Configure a bank account to be used during the netting settlement process. This account will handle both payments and receipts generated by netting.



Navigation:

Setup and Maintenance > Task: Manage Bank Accounts



Click Create to define a new bank account, or search and edit an existing one.

Enter the required details:

Bank and Bank Branch

Account Name and Account Number

Currency

Usage Type: Select Payables, Receivables, or Both

Under the Account Controls section:

Assign the bank account to the appropriate Business Unit

Enable account for both Payables and Receivables

Under the Payment Documents section:

Set the Payment Method to the one you previously created (e.g., Netting Payment Method)

Important:

- ✓ Check the Netting Account checkbox

- ✓ Ensure that the Payment Document uses the correct Netting Payment Method

Click Save and Close

The screenshot displays two overlapping windows from an Oracle Financials application.

Main Window (Create Bank Account):

- Bank Information:** YG bank
- Account Details:**
 - Account Name: Netting Bank
 - Account Number: 813
 - Currency: EGP - Egyptian Pound
 - Legal Entity Name: YG legal Entity
 - Account Type: (dropdown)
 - Description: (dropdown)
 - IBAN: (dropdown)
- Bank Branch:** YG bank nasr city branch
- Check Digit:** (dropdown)
- Secondary Account Reference:** (dropdown)
- Account Suffix:** (dropdown)
- Account Use:**
 - Payables
 - Payroll
 - Receivables
- Bank Company Identifier:** (dropdown)

Additional Information:

- Alternate Account Name: (dropdown)
- Account Holder: (dropdown)
- Alternate Account Holder: (dropdown)
- Netting account:
- Active:
- Multicurrency account:
- Regional Information: (dropdown)

Buttons: Save, Save and Close, Cancel

Overlaid Window (Edit Business Unit Access):

- Business Unit:** YG business unit
- GL Accounts:**
 - Cash: 10-00-11010-10
 - Cash Clearing: 10-00-11015-10
 - Bank Charges: (dropdown)
 - Foreign Exchange Gain: (dropdown)
 - Foreign Exchange Loss: (dropdown)
- Payment Document Categories by Payment Method:**
 - * Payment Method:** Netting Payment Method
 - * Payment Document Category:** Netting Payment

Buttons: OK, Cancel

Step 5: Manage Receipt Classes and Methods

Set up or reference a **Receipt Class** and **Receipt Method** to handle Receivables receipts during netting.

Note:

Oracle already provides a predefined **Receipt Class** for netting. You do **not** need to create a new one. Simply search using **ORA_AP/AR Netting**

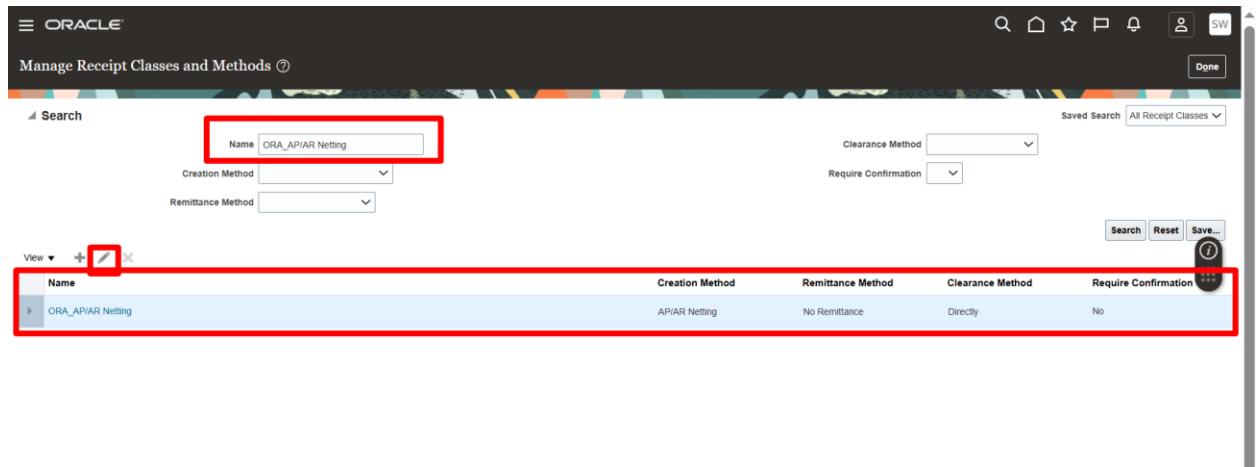
You can assign the **Bank Account** you created for netting to the predefined Oracle receipt class and its associated method, or create a new method if required.

Navigation:

Setup and Maintenance > Task: Manage Receipt Classes and Methods

Instructions:

1. Search for the predefined receipt class (e.g., ORA Netting Receipt Class) using **ORA_AP/AR Netting**
2. Assign the **Bank Account** you created for netting to the predefined method associated with the class.
3. Click **Save and Close**



Name	Creation Method	Remittance Method	Clearance Method	Require Confirmation
ORA_AP/AR Netting	API/AR Netting	No Remittance	Directly	No

Clearance Method Directly

Regional Information

Receipt Methods

Name	Printed Name	* Effective Start Date	Effective End Date	Debit Memos Inherit Receipt Numbers
ORA_AP/AR Netting	ORA_AP/AR Netting	1/1/52		—

ORA_AP/AR Netting: Details

Remittance Bank Accounts

Business Unit	Bank	Branch	Account	Minimum Receipt Amount	Currency	Clearing Days	Effective Start Date	Effective End Date
US1BU	Wells Fargo Bank	Woodside Plaza...	Netting Bank Ac...		USD		1/1/10	
Snackland Business Unit	Bank of America	Denver	Bofa-2870	\$0.01	USD		1/1/16	
Allam BU	Allam Netting Bank	Allam Netting BRA	Allam Netting Acc		EGP		1/1/20	

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Create Remittance Bank Account

* Business Unit	YG business unit	Currency	EGP
* Bank	YG bank	Minimum Receipt Amount	
* Branch	YG bank nasr city branch	Clearing Days	
* Account	Netting Bank	Risk Elimination Days	
<input checked="" type="checkbox"/> Primary		* Effective Start Date	6/18/25
<input type="checkbox"/> Override bank		Effective End Date	mid/yy
		Context Value	

GL Accounts

* Cash	10-00-11010-10	Unidentified Receipts	10-00-13074-10
Receipt Confirmation		On-Account Receipts	10-00-13080-10
Remittance		Unearned Discounts	ORA_Unearned Discount
Factoring		Earned Discounts	ORA_Earned Discount
Short Term Debt		Claim Investigation	
* Unapplied Receipts	10-00-13074-10		

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Create Remittance Bank Account

* Business Unit	YG business unit	Currency	EGP
* Bank	YG bank	Minimum Receipt Amount	
* Branch	YG bank nasr city branch	Clearing Days	
* Account	Netting Bank	Risk Elimination Days	
<input checked="" type="checkbox"/> Primary		* Effective Start Date	1/1/25
<input type="checkbox"/> Override bank		Effective End Date	mid/yy
		Context Value	

Save and Close

GL Accounts

* Cash	10-00-11010-10	Unidentified Receipts	10-00-13074-10
Receipt Confirmation		On-Account Receipts	10-00-13080-10
Remittance		Unearned Discounts	ORA_Unearned Discount
Factoring		Earned Discounts	ORA_Earned Discount
Short Term Debt		Claim Investigation	
* Unapplied Receipts	10-00-13074-10		

Step 6: Allow Payment of Unrelated Transactions

1. Navigation: Setup and Maintenance > Task: Manage Receivables System Options
2. In the Cash Processing tab, enable the checkbox: Allow Payment of Unrelated Transactions
3. Save and Close

This option allows the netting process to apply receipts and payments even when they are not directly linked by invoice or reference, which is essential for successful netting.

The screenshot shows the Oracle Financials setup interface. On the left, there's a sidebar titled 'Functional Areas' listing various setup items like Initial Users, Enterprise Profile, Legal Structures, etc., each with a 'Shared' button. The main area is titled 'Receivables' and shows a list of tasks. One task, 'Manage Receivables System Options', is highlighted with a red rectangle. The interface includes standard navigation and search tools at the top.

The screenshot shows the Oracle Receivables interface. At the top, it says "Edit System Options ?". Below that, it shows "Business Unit YG business unit", "Ledger YG EG", and "Ledger Currency EGP". There are three tabs: "Billing and Revenue", "Cash Processing" (which is selected), and "Channel Revenue Management".

The "Cash Processing" tab has several configuration sections:

- AutoCash Rule Set:** Oldest transaction first.
- Match Receipts By 1:** Transaction Number.
- Match Receipts By 2:** Transaction Number.
- Match Receipts By 3:** (empty dropdown)
- Match Receipts By 4:** (empty dropdown)
- AutoMatch Rule Set:** (empty dropdown)
- Days to AutoApply a Receipt:** (text input field)
- Use AutoApply:** (checkbox)
- Require billing location for receipts:** (checkbox)
- Allow payment of unrelated transactions:** (checkbox, highlighted with a red box)
- Enable channel revenue management integration:** (checkbox)
- From Write-Off Limit per Receipt:** -99,999,999,999,999,999
- To Write-Off Limit per Receipt:** 999,999,999,999,999
- Minimum Refund Amount:** (text input field)
- AutoCash Tolerance Amount:** (text input field)
- Chargeback Due Date:** Open invoice due date
- Allow payment deletion:** (checkbox)
- Context Value:** (dropdown menu)
- Regional Information:** (dropdown menu)

Step 7: Manage Receivables Transaction Types

1. **Navigation:** Setup and Maintenance > Task: Manage Receivables Transaction Types
2. Search for or create a new **Transaction Type** for netting if needed
3. For existing Oracle-defined transaction types, you can use them directly.
4. Ensure the correct settings for:
 - o **Transaction Class:** Invoice or Credit Memo as applicable
 - o Any other settings required for Receivables processing
5. Save and Close

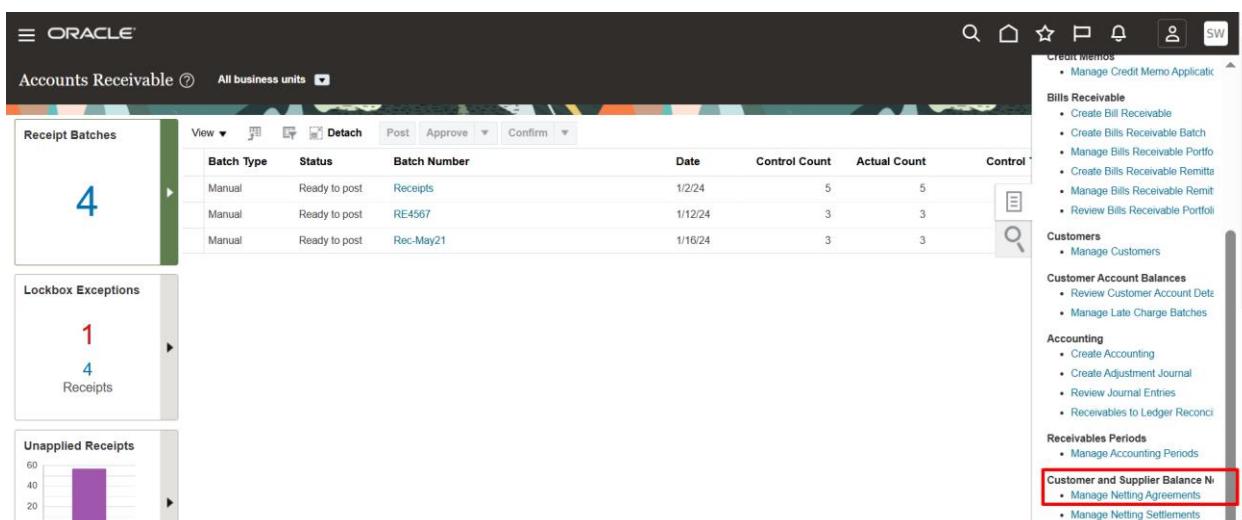
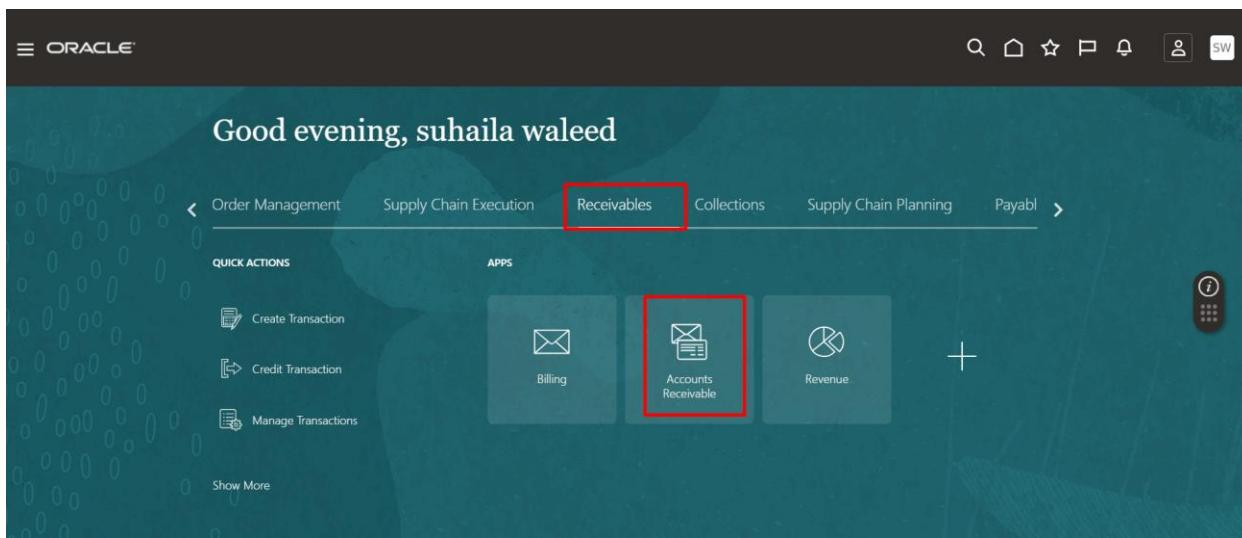
We have completed the netting setup; now we will proceed with creating the netting transaction.

Step 1: Create Payables and Receivables Transactions

Step 2: Create Netting Agreement

Navigate to the Receivables Work Area, then:

1. Click on the Tasks icon (left side panel).
2. Select Manage Netting Agreements from the list.



3. Click on the **Plus (+) icon** to create a new agreement.
4. In the **Header Section**, enter the following:
 1. **Legal Entity**
 2. **Agreement Name**
 3. **Agreement Start Date**
5. Under the **Payables Invoice Type** field:
 1. Select the type of invoice.
 2. For example, choose **Standard**.
6. Under the **Receivables Transaction Type** field:
 1. You can either select **All** or specify a particular transaction type.
7. In the **Trading Partner** section:
 1. Select the related **Supplier** and **Customer** accounts .
8. In the **Letter Icon (Language Preference)**:
 1. Choose the communication language.
 2. For example, select **American English**.

The screenshot shows the Oracle Netting Agreements application. The main title is "Manage Netting Agreements". At the top, there are several search and filter fields: "Agreement Name" (mandatory), "Legal Entity" (mandatory), "Trading Partner Reference", and "Active Netting Agreement" (set to "Active only"). Below these, there is a toolbar with a "View" dropdown, a "New" button (highlighted with a red box), and other icons. The main area displays a table with columns: View, Agreement Name, Legal Entity, Trading Partner Reference, Netting Group, Start Date, End Date, and a search icon. The "Agreement Name" column has a red box around its input field.

Create Netting Agreements

Netting Agreement Business Rules

* Legal Entity: YG legal Entity	* Start Date: 7/1/25
* Agreement Name: Agreement	End Date: m/d/y
Trading Partner Reference	

Netting Preferences

* Netting Bank Account Name: Netting Bank	Allow early settlement discount <input type="checkbox"/>
* Netting Order Rule: Due date from oldest to most recent	* Netting Currency Rule: Net within each currency
* Netting Balance Rule: Net always	* Invoice Currency
Netting Group	Settlement Currency

Additional Information

Pay Groups: Payables Invoice Type: Receivables Transaction Type: Trading Partners: Letters

* Pay Groups: All Only Include Only Exclude

Create Netting Agreements

Netting Agreement Business Rules

* Legal Entity: YG legal Entity	* Start Date: 7/1/25
* Agreement Name: Agreement	End Date: m/d/y
Trading Partner Reference	

Netting Preferences

* Netting Bank Account Name: Netting Bank	Allow early settlement discount <input type="checkbox"/>
* Netting Order Rule: Due date from oldest to most recent	* Netting Currency Rule: Net within each currency
* Netting Balance Rule: Net always	* Invoice Currency
Netting Group	Settlement Currency

Additional Information

Pay Groups: **Payables Invoice Type**: Receivables Transaction Type: Trading Partners: Letters

+
 * Invoice Type
 Standard

Create Netting Agreements

Netting Agreement Business Rules

* Legal Entity: YG legal Entity	* Start Date: 7/1/25
* Agreement Name: Agreement	End Date: m/d/y
Trading Partner Reference	

Netting Preferences

* Netting Bank Account Name: Netting Bank	Allow early settlement discount <input type="checkbox"/>
* Netting Order Rule: Due date from oldest to most recent	* Netting Currency Rule: Net within each currency
* Netting Balance Rule: Net always	* Invoice Currency
Netting Group	Settlement Currency

Additional Information

Pay Groups: Payables Invoice Type: **Receivables Transaction Type**: Trading Partners: Letters

* Transaction Types: All Only Include Only Exclude

Netting Preferences

* Netting Bank Account Name	Netting Bank	Allow early settlement discount <input type="checkbox"/>	
* Netting Order Rule	Due date from oldest to most recent	* Netting Currency Rule	Net within each currency
* Netting Balance Rule	Net always	* Invoice Currency	
Netting Group		Settlement Currency	

► Additional Information

Pay Groups Payables Invoice Type Receivables Transaction Type **Trading Partners** Letters

Select Supplier

* Priority	* Supplier Name	Supplier Number	Supplier Tax Registration Number	Supplier Site	Site Tax Registration Number
1	YG supplier	1499		YG Site	

Select Customer

* Priority	* Customer Name	Account Description	Customer Number	Customer Tax Registration Number	Customer Site	Site Tax Registration Number
1	YG customer		103125		YG Address Line CAIRO CAIRO EGYPT	

9. Then click on save and close

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Create Netting Agreements ②

Save **Save and Close** Save and Create Another Cancel

Netting Agreement Business Rules

* Legal Entity	YG legal Entity	* Start Date	7/1/25
* Agreement Name	Agreement	End Date	mid/yy
Trading Partner Reference			

Netting Preferences

* Netting Bank Account Name	Netting Bank	Allow early settlement discount <input type="checkbox"/>	
* Netting Order Rule	Due date from oldest to most recent	* Netting Currency Rule	Net within each currency
* Netting Balance Rule	Net always	* Invoice Currency	
Netting Group		Settlement Currency	

► Additional Information

Pay Groups Payables Invoice Type Receivables Transaction Type Trading Partners **Letters**

Letter Preferences

Generate Netting Letter Send Letters by Email

10. Navigate to the **Receivables** work area (**Accounts Receivable**).

11. Click on the **Tasks** panel.

12. Select **Manage Netting Settlements**.

The screenshot shows the Oracle Receivables application interface. At the top, there is a navigation bar with tabs: Order Management, Supply Chain Execution, **Receivables** (which is highlighted with a red box), Collections, Supply Chain Planning, and Payabl. Below the navigation bar is a section titled "Good evening, suhaila waleed". Underneath this, there is a "QUICK ACTIONS" section with three items: Create Transaction, Credit Transaction, and Manage Transactions. To the right of this is an "APPS" section with three cards: Billing, Accounts Receivable (which is highlighted with a red box), and Revenue. Below these sections is a "Show More" button. The main content area displays several tasks and counts:

Section	Count
Receipt Batches	0
Lockbox Exceptions	1
Unapplied Receipts	4
Unsettled Credits	0

At the bottom right of the interface is a sidebar containing a list of tasks grouped by category:

- Bills Receivable**
 - Create Bill Receivable
 - Create Bills Receivable Batch
 - Manage Bills Receivable Portfolio
 - Create Bills Receivable Remittance
 - Manage Bills Receivable Remittance
 - Review Bills Receivable Portfolio
- Customers**
 - Manage Customers
- Customer Account Balances**
 - Review Customer Account Details
 - Manage Late Charge Batches
- Accounting**
 - Create Accounting
 - Create Adjustment Journal
 - Review Journal Entries
 - Receivables to Ledger Reconciliation
- Receivables Periods**
 - Manage Accounting Periods
- Customer and Supplier Balance Negotiations**
 - Manage Netting Agreements
 - Manage Netting Settlements** (this item is highlighted with a red box)

13. Click on the **Plus (+) icon** to create a new netting settlement.

14. Fill in the required fields as defined below:

- **Legal Entity:** Select the relevant Legal Entity
- **Netting Agreement:** Choose the agreement you created earlier.
- **Settlement Date:** Enter the date of the settlement.

Manage Netting Settlements

Search

** Legal Entity: [dropdown]

** Status: [dropdown]

** Settlement Name: [text input]

** Agreement Name: [text input]

** Settlement Number: [text input]

Actions ▾ View ▾ **+** Download Settlements

Settlement Number	Settlement Name	Legal Entity	Agreement Name	Settlement Currency	Settlement Date	Status	Download
No data to display							

Search Reset Save...

Create Netting Settlements

* Legal Entity: YG legal Entity

Agreement Name: All Agreements

Netting Group:
Specific Agreement
Netting Agreement: Agreement

* Settlement Date: 7/4/25

* Settlement Name: YG legal Entity Agreement 2025-07-04

* Settle Without Review: No

* Transaction Due Date: 7/4/25

From Transaction Date: m/d/y

To Transaction Date: m/d/y

* Accounting Date: 7/4/25

* Conversion Rate Type: Corporate

* Conversion Rate Date: 7/4/25

Save and Close Save and Create Another Cancel

15. And Then Click on Save and Close

16. In the **Manage Netting Settlements** tab:
17. Search for your created settlement using relevant criteria.
18. Once found, click on **Download** to review the transactions included in the settlement.
19. Open the spreadsheet to **view the Payables and Receivables transactions** that are part of this netting settlement.

The screenshot shows the Oracle Manage Netting Settlements interface. At the top, there's a search bar with fields for Legal Entity (set to 'YG legal Entity'), Status, Settlement Name, Agreement Name, and Settlement Number. Below the search bar is a table with a single row of data. The columns are Settlement Number, Settlement Name, Legal Entity, Agreement Name, Settlement Currency, Settlement Date, Status, and Download. The data in the table is as follows:

Settlement Number	Settlement Name	Legal Entity	Agreement Name	Settlement Currency	Settlement Date	Status	Download
9003	YG legal Entity Agreement 2025-07-04	YG legal Entity	Agreement	EGP	7/4/25	Selected	Download

Signing In to the Spreadsheet:

20. After downloading the spreadsheet, **click on “Enable Editing”** at the top of the file.
21. Enter your **Username** and **Password**.
22. Click **Sign In** to access the full functionality of the spreadsheet and view the netting transaction details.
23. After reviewing the Payables and Receivables transactions and confirming everything is correct, click **Upload Settlement**.

NetSettlement (1).xlsm - Excel

suhaila waleed SW

File Home Insert Draw Page Layout Formulas Data Review View Help Data Streamer Inquire Netting Settlement Acrobat Power Pivot Tell me Share

Login Logout Clear Edit About Refresh Upload Status Settlement Viewer Worksheet Workbook

G21

ORACLE Manage Payables for Netting Settlement

Settlement Number	9003	Payables Amount	20,000.00 EGP
Settlement Name	YG legal Entity Agreement 2025-07-04	Receivables Amount	10,000.00 EGP
Agreement Name	Agreement	Proposed Netting Amount	10,000.00 EGP
Status	Selected		

Changed	Exclude	Row Status	*Rank	Invoice Number[.]	Invoice Type	Supplier Name[.]	Supplier Number	Supplier Site	Invoice Date	Invoice Amount	Open Amt
			1	netting2	Standard	YG supplier	1499	YG Site	7/4/2025	20,000.00	20,000.00

Payables Receivables

NetSettlement (1).xlsm - Excel

suhaila waleed SW

File Home Insert Draw Page Layout Formulas Data Review View Help Data Streamer Inquire Netting Settlement Acrobat Power Pivot Tell me Share

Login Logout Clear Edit About Refresh Upload Status Settlement Viewer Worksheet Workbook

C10

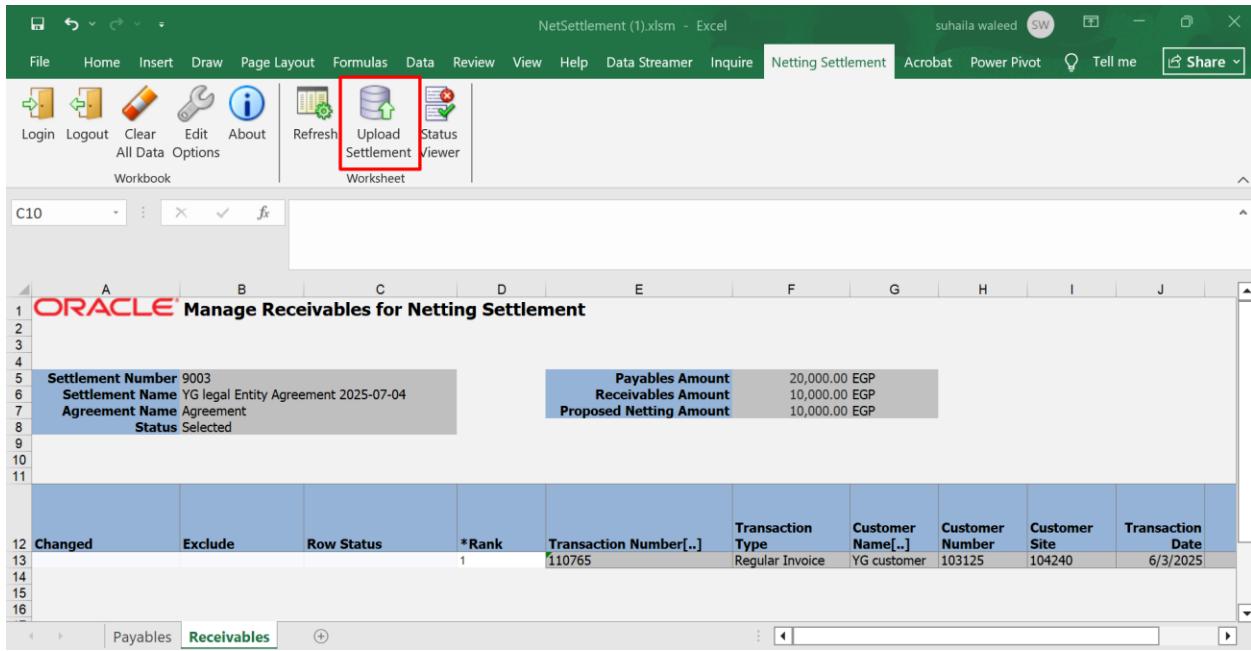
ORACLE Manage Receivables for Netting Settlement

Settlement Number	9003	Payables Amount	20,000.00 EGP
Settlement Name	YG legal Entity Agreement 2025-07-04	Receivables Amount	10,000.00 EGP
Agreement Name	Agreement	Proposed Netting Amount	10,000.00 EGP
Status	Selected		

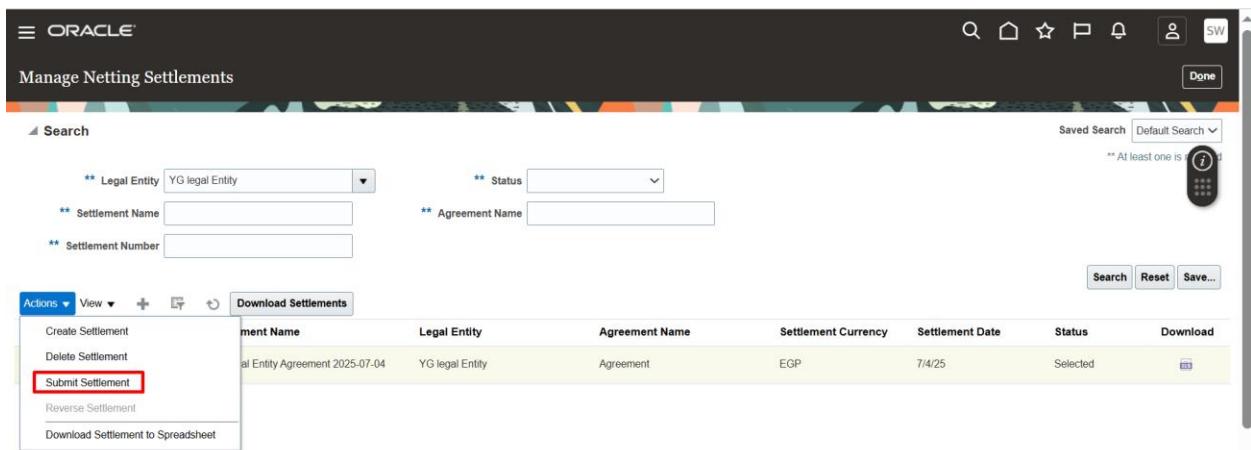
Changed	Exclude	Row Status	*Rank	Transaction Number[.]	Transaction Type	Customer Name[.]	Customer Number	Customer Site	Transaction Date
			1	110765	Regular Invoice	YG customer	103125	104240	6/3/2025

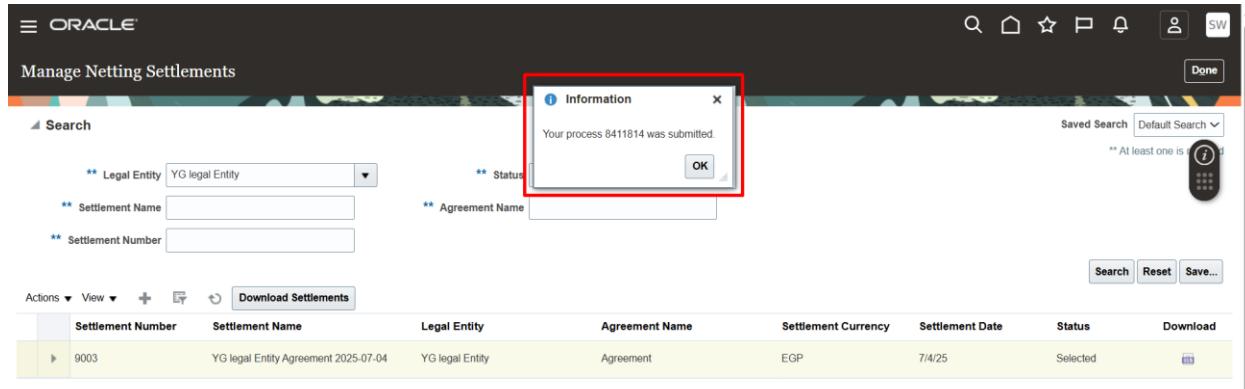
Payables Receivables

Ready Accessibility: Investigate



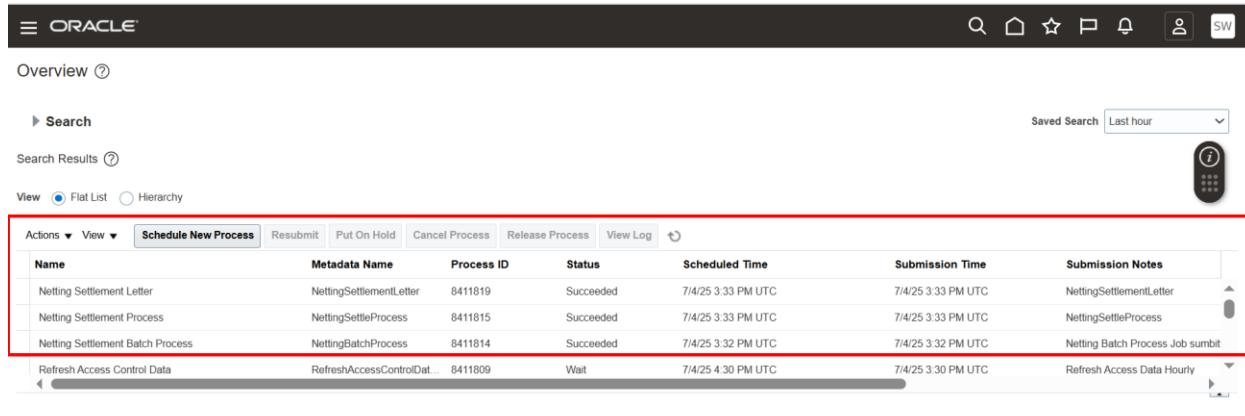
24. Return to the application and click on **Submit Settlement**.





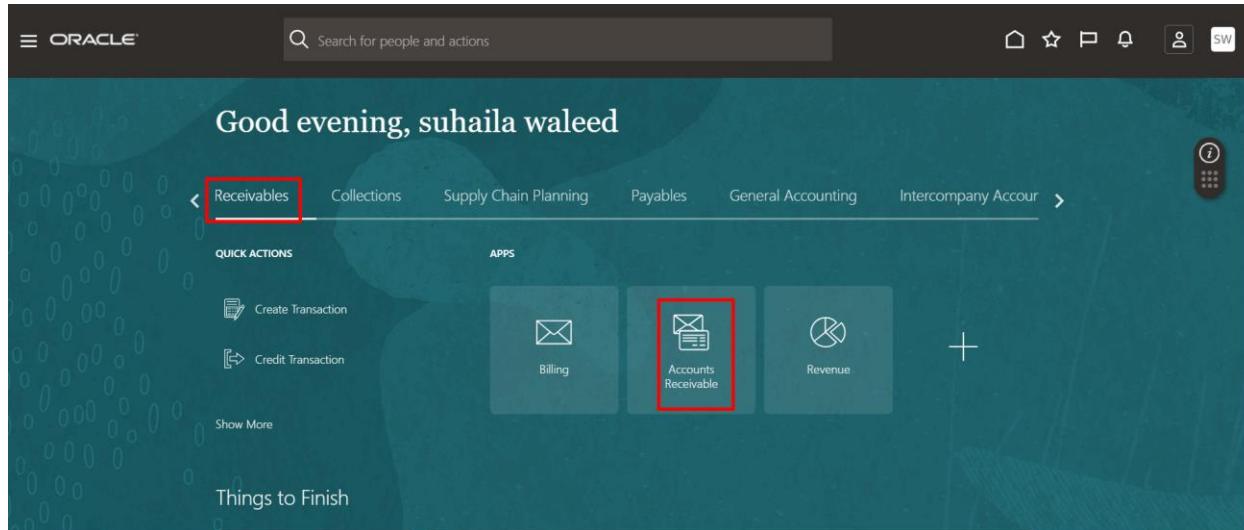
25. Navigate to Scheduled Processes:

- Monitor the process.
- Once the status shows **Succeeded**, the netting is successfully processed.



26. Finally, verify the results:

- Go to **Payables** to review the **payment** created.
- Go to **Receivables** to review the **receipt** generated



The screenshot shows the Oracle Accounts Receivable dashboard. On the left, there are three main sections: "Receipt Batches" (4 items), "Lockbox Exceptions" (1 item, 4 Receipts), and "Unapplied Receipts" (a bar chart showing values around 40-50). At the top, there is a toolbar with buttons for View, Detach, Post, Approve, Confirm, and other actions. To the right, a sidebar menu is open, showing a hierarchical list of receivable management tasks. The "Manage Receipts" option is highlighted with a red box. Other sections in the sidebar include Receipts, Receipt Remittances, Credit Memos, Bills Receivable, and Customers.

Batch Type	Status	Batch Number	Date	Control Count	Actual Count	Control
Manual	Ready to post	Receipts	1/2/24	5	5	
Manual	Ready to post	RE4567	1/12/24	3	3	
Manual	Ready to post	Rec-May21	1/16/24	3	3	

Manage Receipts ?

Search

Business Unit	** Receipt Method
** Receipt Number Starts with	Status Equals
** Customer Name	Remittance Bank
** Customer Account Number	State Equals
** Receipt Date Equals 7/4/25	Payment System Order Number Equals
** Batch Number	

Advanced Saved Search All Receipts ?

** At least one is required

Actions ▾ View ▾ Reassign Receipts Detach

Receipts

Receipt Number	Status	Receipt Method	Customer Name	Customer Account Number	Receipt Date	Batch Number	Entered Amount	Unapplied Amount	Business Unit	Order Number	Facility Number	LG Num!
9003-1	Cleared	ORA_AP/AR Net	YG customer	103125	7/4/25		10,000.00 EGP	0.00 EGP	YG business unit			

Search Reset Save...

ORACLE

Edit Receipt: 9003-1 ?

Actions ▾ Save Save and Close Cancel

Receipt Information Show More

Status Cleared	Customer Account Number 103125	Currency EGP Egyptian Pound								
Business Unit YG business unit	Customer Name YG customer	Receipt Type Standard	Customer Site 104240	* Entered Amount 10,000.00	Receipt Method ORA_AP/AR Netting	Receipt Date 7/4/25	Accounted Amount 10,000.00	Receipt Number 9003-1	Accounting Date 7/4/25	Total Applied Amount 10,000.00
Receipt Type Standard	Customer Site 104240	* Entered Amount 10,000.00								
Receipt Method ORA_AP/AR Netting	Receipt Date 7/4/25	Accounted Amount 10,000.00								
Receipt Number 9003-1	Accounting Date 7/4/25	Total Applied Amount 10,000.00								

Rreibables Specialist Comments

Attachments None

Additional Information

Receipt Details 0.00 EGP ?

Application History Activity

ORACLE

Edit Receipt: 9003-1 ?

Actions ▾ Save Save and Close Cancel

Receipt Information Show More

Status Cleared	Date 7/4/25	Status Final
Business Unit YG business unit		
Receipt Type Standard		
Receipt Method ORA_AP/AR Netting		
Receipt Number 9003-1		

Ledger YG EG

View ▾ View T-Accounts Detach Override Account

Accounting Lines: Receipt 9003-1

Line	Event	Account	Class	Debit	Credit
1	Receipt Created	10-00-11010-10	Cash	10,000.00	
2	Receipt Created	10-00-13005-10	Receivable		10,000.00

Comments



This screenshot shows the "Payments" management screen. It includes a navigation bar with links for Overview, Payment Process Requests, Payment Files Requiring Attention, and Stop Payment Requests. The main content area displays a table for "Payment Process Requests" with columns for Name, Pending Since, Stage, Status, and Action. A red box highlights the "Action" column header. To the right, a sidebar lists various payment-related tasks, with "Manage Payments" highlighted with a red box. The bottom right corner shows a "Customer and Supplier Balance N..." link.

This screenshot shows the "Manage Payments" screen. It has a search bar at the top with fields for "Supplier or Party", "Payment Date" (set to 7/4/25), "Payment Number", and "Disbursement Bank Account". A red box highlights the "Payment Date" field. To the right, there are filters for "Payment Type", "Payment Process Request", "Payment Status", and "Business Unit", along with "Search", "Reset", and "Save..." buttons. A red box highlights the "Search" button. The main content area displays a table of payment records with columns: Payment Number, Payment Document, Payment Status, Reconciled, Payee, Payment Date, Payment Amount, Remit-to Address, Remit-to Account Number, and Details. A red box highlights the entire table row for payment number 1001.

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Payment: 1001 ⓘ

Payee YG supplier
Payment Date 7/4/25
Status Cleared
Accounting Status Unaccounted
Reconciled Yes
Type Netting

Payment Amount 10,000.00
Withheld Amount EGP 0.00
Business Unit YG business unit
Legal Entity YG legal Entity
Stop Date
Void Date
Attachments None

Payment Details Paid Invoices History Conversion Other

Payee
Current Name
Payee Site PYG Site
Remit-to Address PYG Address Line, CAIRO CAIRO, EGYPT
Payment Function

Remit-to Account
IBAN
BIC
Remit-to Bank Name
Remit-to Branch Name

Processing Details

≡ ORACLE

Payment: 1001 ⓘ

Ledger YG EG Date 7/4/25 Status Draft

View ▾ View T-Accounts Detach

Line	Event	Account	Class	Debit	Credit
1	Payment Cleared	10-00-11015-10	Cash clearing	10,000.00	
2	Payment Created	10-00-21010-10	Liability	10,000.00	
3	Payment Cleared	10-00-11010-10	Cash		10,000.00
4	Payment Created	10-00-11015-10	Cash clearing		10,000.00

Done