ORACLE

Cloud Payments
Overview and Features

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Cloud Financials Development

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Payments Overview

SEPA · CGI-MP · NACHA · SWIFT

Invoice Selection	Building Payments	Formatting Payments	PriAnting / Transmission

Funds Disbursements

Fusion Payments: *Central Engine to Disburse and Capture Payments*

Request	Authorization	Settlement	Acknowledgement

Funds Capture

Global Payment Messaging
100+ Formats, Easy Configuration

Security & Compliance
Encryption, Masking, Tokenization

Transmission Features
HTTPS, SFTP, PGP Encryption

Integration
CyberSource

Global Banking Model
Bank/Branch/Account Logic

Visibility & Control
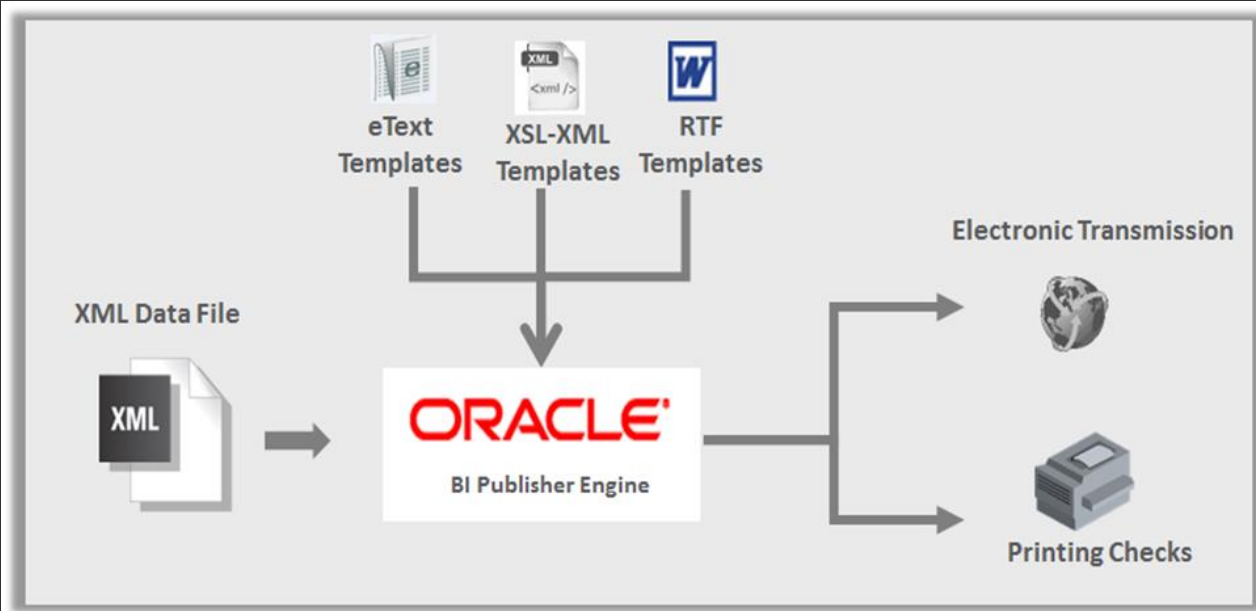Payment Approval, Usability

Straight Through Processing
Extensive Selection, Validation Model

Reporting Capabilities
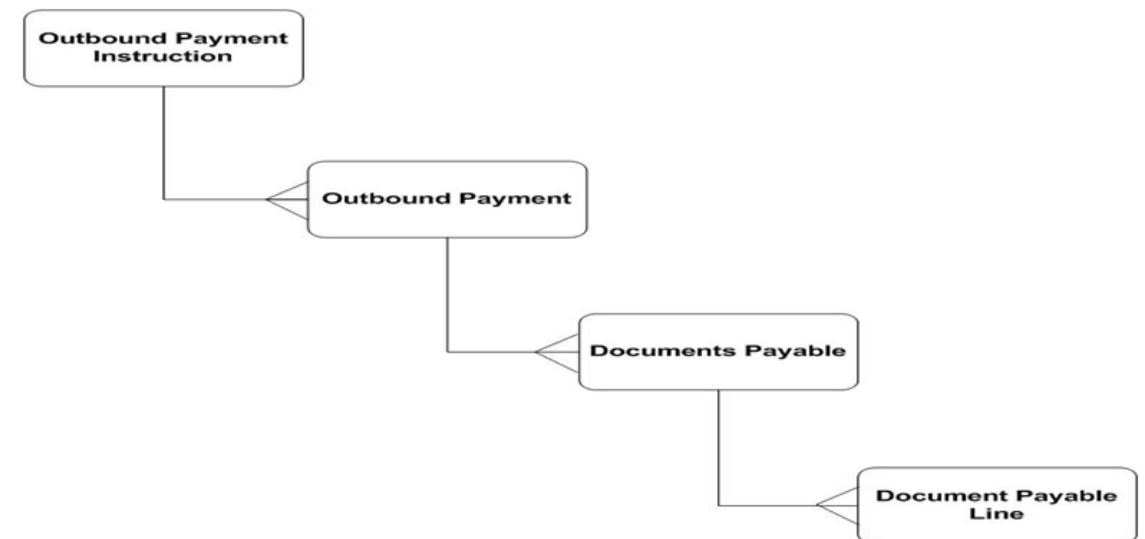Remittance Advice, Positive Pay

Payment Message Configurability


```xml
<?xml version="1.0" encoding="UTF-8" ?>
- <OutboundPaymentInstruction>
  - <PaymentInstructionInfo>
      <InstructionReferenceNumber>42378</InstructionReferenceNumber>
      <FormatProgramRequestID>6827911</FormatProgramRequestID>
      <InstructionCreationDate>2009-08-
        31T01:23:01</InstructionCreationDate>
    + <MultiOrgAccessControl>
    + <InstructionStatus>|
      <ProcessingType>ELECTRONIC</ProcessingType>
      <ProcessType>IMMEDIATE</ProcessType>
      <UserAssignedRefCode />
      <BankAssignedRefCode />
    + <PaymentSequence>
    + <PaymentSequence>
    + <PaymentSequence>
    + <BankInstruction>
    + <BankInstruction>
      <BankInstructionDetails />
      <PaymentTextMessage />
      <PaymentTextMessage />
      <RegulatoryReportingOption />
    + <PaymentSystemAccount>
      <Notes />
    </PaymentInstructionInfo>
  + <PaymentProcessProfile>
  + <PaymentFormat>
  + <InstructionTotals>
  + <InstructionGrouping>
  + <OutboundPayment>
  </OutboundPaymentInstruction>
```

Format Framework

- Based on standard XML technology

- Templates stored in Oracle BI Publisher

- Template applied to Oracle Payments XML data file

- Templates can be easily created and edited

- Fixed position and delimited eText formats

- Rich library of seeded formats

Quick Example

Existing Example

<LEVEL>		OutboundPaymentInstruction			
<POSITION>	<LENGTH>	<FORMAT>	<PAD>	<DATA>	<COMMENTS>
<NEW RECORD>		BETFOR00_1			
1	2	Alpha	R, ` `	'AH'	Application header id
3	1	Number	L, 0	2	Application header version
4	2	Number	L, 0	0	Application header return code
6	4	Alpha	R, ` `	OutboundPayment/Payee/Address/Country	TBII for domestic payments.
10	4	Date, MMDD	L, 0	SYSDATE	
14	6	Number	L, 0	SEQUENCE_NUMBER(NO_TELEPAY_DAILY_SEQ)	Daily sequence. Start with 000001 each day
20	8	Alpha	R, ` `		Reserved
28	11	Alpha	R,		Reserved

Attribute to be Added from Extract

```
- <PaymentInstructionInfo>
    <InstructionReferenceNumber>42378</InstructionReferenceNumber>
    <FormatProgramRequestID>6827911</FormatProgramRequestID>
    <InstructionCreationDate>2009-08-31T01:23:01</InstructionCreationDate>
```

Modified Template

<LEVEL>		OutboundPaymentInstruction			
<POSITION>	<LENGTH>	<FORMAT>	<PAD>	<DATA>	<COMMENTS>
<NEW RECORD>		BETFOR00_1			
1	2	Alpha	R, ` `	'AH'	Application header id
3	1	Number	L, 0	2	Application header version
4	2	Number	L, 0	0	Application header return code
6	4	Alpha	R, ` `	OutboundPayment/Payee/Address/Country	TBII for domestic payments.
10	4	Date, MMDD	L, 0	SYSDATE	
14	6	Number	L, 0	SEQUENCE_NUMBER(NO_TELEPAY_DAILY_SEQ)	Daily sequence. Start with 000001 each day
20	8	Alpha	R, ` `	PaymentInstructionInfo/InstructionReferenceNumber	Payment Instruction Number
28	11	Alpha	R,		Reserved

Payment Message

```
AH200TBIU09180000001 42378          04BETFOR0000
0918          VERSJON002            00000000000

AH200TBIU0918000002                 04BETFOR0100
090831BANK OF AMERICA               USD
0000000     00000000 000000  000000000000
000000    000000        00000000000000000000000
AH200TBIU0918000003                 04BETFOR0200
        ROYAL BANK OF NEPAL

   NP
AH200TBIU0918000004                 04BETFOR0300
9140665                 GE CAPITAL
GEBURY ROAD, , , DANBURY, CT, US, 06810-5105
        US
AH200TBIU0918000005                 04BETFOR0400
MK001                  000000000000560
D
AH200TBIU0918000006                 04BETFOR9900
0918          00001
```

Security: Data at Rest & Data in Motion

Oracle Platform Security Services
- Master Encryption Key
- Subkeys
- Payment Instrument Data
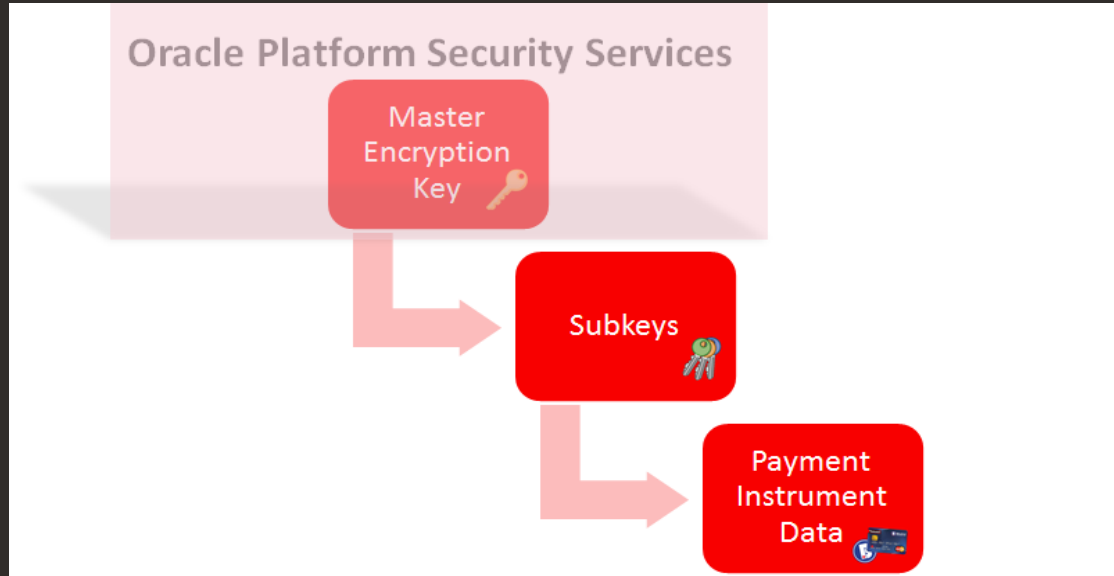
- **Master Encryption Key**: Automatically generated using AES algorithm and stored in Oracle Platform Security Services

- **Chain Key Approach**: Master Encryption Key encrypts Subkey and Subkey encrypts payment instrument data

- **Encryption**: Payment instrument data and other sensitive payment data

- **Masking**: Payment instrument data and supplemental data masking with last four digits unmasked

- **Tokenization**: Credit card data tokenization with CyberSource

Channel Security
- Secured protocols - SFTP, HTTPS POST, UCM
- Two Factor Authentication

Payload Security
- PGP Encryption
- PGP Digital Signature

- **SFTP**: Using HTTPS proxy that allows transmission without requiring approval of port

- **Two Factor Authentication**: Allows SSL public key import

- **UCM**: Oracle Universal Content Management for outbound and inbound integrations. ERP Cloud Integration Services can be used to automate the file transfer.

- **PGP Encryption and Digital Signature**: Allows payment file security for both outbound and inbound payment files. Keys can be generated or imported.

Edit Transmission Configuration SFTP-IBY-BVT

Edit Transmission Configuration: SFTP-IBY-BVT

| Test | Save and Close | Cancel |

* Configuration   SFTP-IBY-BVT   * From Date   8/28/17

Protocol   Secure File Transfer Protocol for Static File Names   To Date

Tunneling Configuration

Parameters

View ▼   Freeze   Wrap

Name	Data Type	Value
*FTP Server IP Address	Character	slc05mof.us.oracle.com
FTP Server Port Number	Number	22
*FTP Account User Name	Character	••••••
FTP Account Password	Character	••••••
Client Private Key File	Character	
Client Private Key Password	Character	
*Remote File Directory	Character	/scratch/ptech/batch
Sent File Name	Character	&BATCHID.txt
Keep Local File	Character	
UNIX Permission Mask for Remote File	Character	
PGP Public Encryption Key	Character	
PGP Private Signing Key	Character	
PGP Private Key Password	Character	

Search...

Create

SFTP authentication key can be generated or imported

User can either generate or import PGP Digital Signature key

Efficient Installments Selection
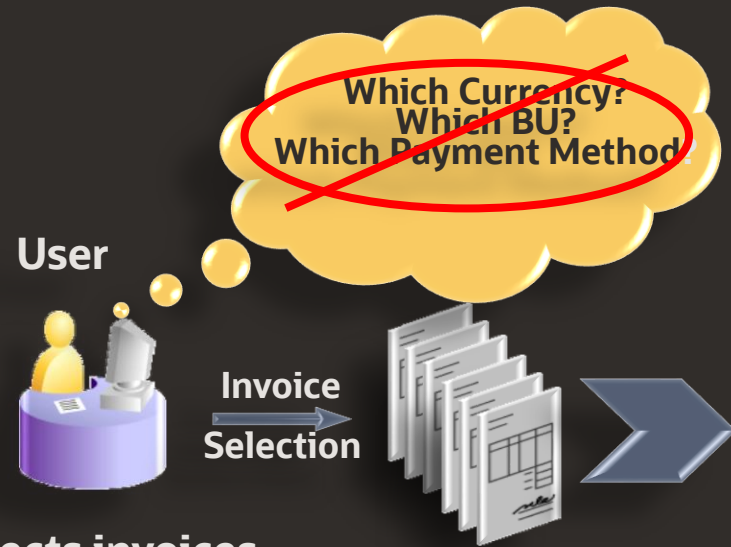
Which Currency?
Which BU?
Which Payment Method?

User

Invoice Selection

Selects invoices based on due/discount dates

Benefits
✓ Improve payment processing
✓ Simplify user procedures
✓ Lower cost of payment processing

Submit Payment Process Request

Submit Payment Process Request

Submit   Cancel

* Name [_____]   Template [_____ ▼]

Selection Criteria | Payment and Processing Options

Pay Through Date [5/31/18   📅]   Supplier Type [_____ ▼]

Pay from Date [_____   📅]   Payment Method [_____ ▼]

From Payment Priority [1]   Invoice Conversion Rate Type [_____ ▼]

To Payment Priority [99]

Date Basis [Pay date ▼]   Supplier or Party [_____ ▼]

Select Early Payment Invoices [Yes ▼]   Invoice Group [_____ ▼]

Include Zero Amount Invoices [No ▼]

Pay Groups ⦿ All ○ Specific

Currencies ⦿ All ○ Payment ○ Invoice

Business Units ⦿ All ○ Payment ○ Invoice

Legal Entities ⦿ All ○ Specific

Sources ⦿ All ○ Specific ○ Exclude

> Select invoices based on due date or discount date

> Select invoices across currencies, business units, legal entities etc..

Submit Payment Process Request

Process Options | Advanced | Submit | Cancel

Name   Create Electronic Payment Files

Description   Groups payments into payment files. Validates, ...

Schedule   As soon as possible

☐ Notify me when this process ends

Submission Notes [ ]

Basic Options
Parameters

Disbursement Bank Account [▼]

Currency [▼]

Business Unit [▼]

Legal Entity [▼]

From Payment Date [5/1/18 📅]

To Payment Date [📅]

Payment Process Profile [▼]

Payment Process Request [▼]

Administrator Reference [ ]

Comments [ ]

Payment Document [▼]

* Transmit Now [Yes ▼]

Group multiple payment batches into single payment file

Efficient Installments Selection

User

Invoice Selection

Payment Batch 1
USD, EUR
Electronic
BU1, BU2

Payment Batch 2
USD, EUR
Printed
BU1, BU2

Payment Batch 3
USD, EUR
Electronic
BU3

~~Which Currency?~~
~~Which BU?~~
~~Which Payment Method?~~

Pool of Built Payments

Payment File 1
USD, EUR
Electronic
BU1, BU2, BU3

Payment File 2
USD, EUR
Printed
BU1, BU2, BU3

Format **Payments**

Electronic File
USD, EUR
Electronic
BU1, BU2, BU3

Check Run
USD, EUR
Printed
BU1, BU2, BU3

Transmit

Print

Selects invoices based on due/discount dates

Benefits
- ✓ Improve payment processing
- ✓ Simplify user procedures
- ✓ Lower cost of payment processing

Business Process Modeling

Decentralized

Invoice Entry		Invoice Selection		Payment Processing	
BU A		BU A		BU A	
BU B		BU B		BU B	

Shared Service Center

Centralized Invoice Entry	Centralized Invoice Selection	Centralized Payment Processing
BU A	BU A & B	BU A & B
BU B		BU A & B

Payment Factory

Invoice Entry	Invoice Selection	Centralized Payment Processing
BU A	BU A	BU A & B
BU B	BU B	BU A & B
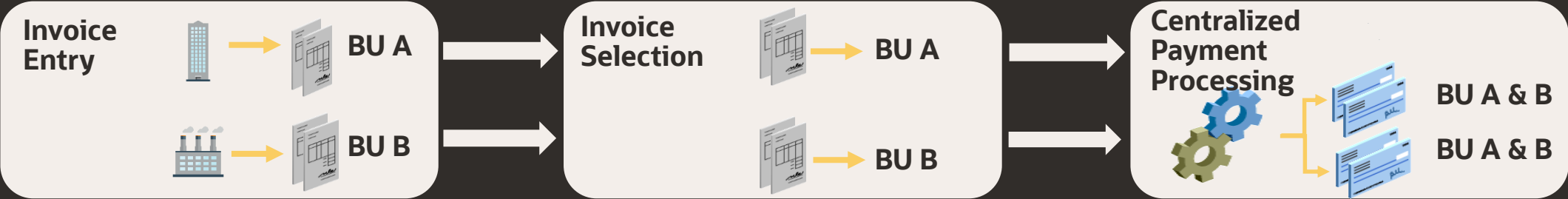
Validation Model

Validations Performed At Different Levels ➡️

Installments

Payment

Payment File

Upstream Validations

Downstream Validations

Invoice Entry	Invoice Selection	**Payment Build**	**File Creation**	Formatting	Transmission
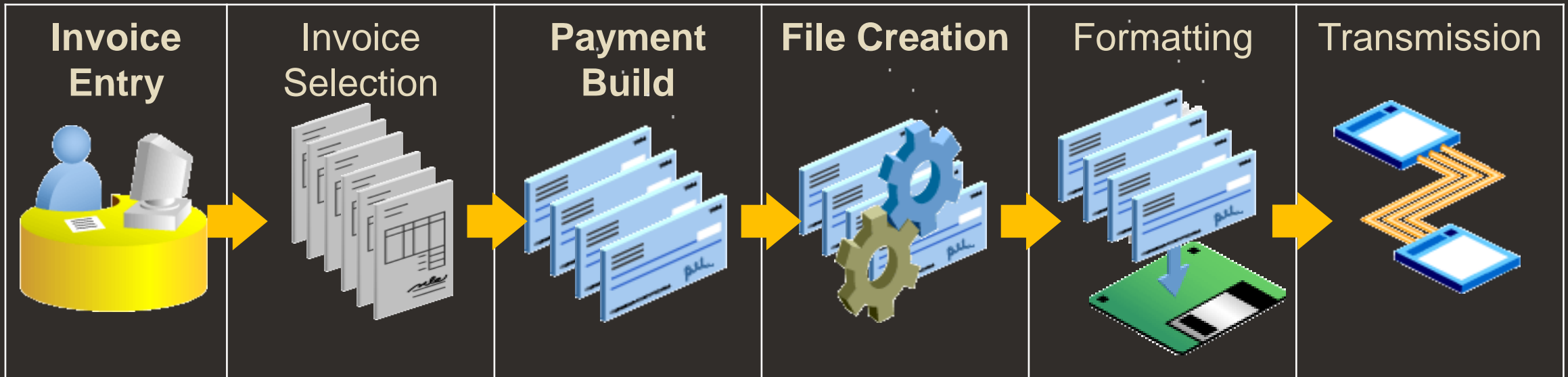
Straight Through Processing

Payment Method

- Attribute on an invoice
- Name given by user
- Doesn't control the actual processing
- Captures usage rules
- Captures validations

Payment Process Profile

- Controls processing behavior
- Controls usage rules
- Captures payment and payment file creation rules
- Controls transmission behavior
- Controls auxiliary reporting

PM defaults or is entered

PPP defaults or is entered

Validations from PM / Format

Validations from format

Format from PPP

Printer

Positive Pay

Separate remittance advices

Invoice entered and validated → Invoices selected for payment → Invoices built into payments → Payments built into payment file(s) → Payment file formatted → File transmitted or printed → Auxiliary reporting

Validations on PM

Payment creation rules from PPP

Bank instructions from payee or PPP

Payment file creation rules from PPP

Bank (payment system) from PPP

Transmission details

Central bank reporting

Payment Instruction Register

Payment Process Profile Setup

Edit Payment Process Profile

* Name ISO CGI
Code ISOCGI
Description
* From Date 1/1/14
To Date

* Payment File Format ISO20022 Common Global Implementation Form
* Processing Type Electronic
Default Payment Document
Payment Confirmation Point When the payment file is transmitted
☐ Allow manual setting of payment confirmation

Usage Rules | Payment System | Payment | Payment File | Grouping | Reporting | Additional Information

Processing setup

Payment Methods ⦿ All ◯ Specify
Disbursement Bank Accounts ⦿ All ◯ Specify
Business Units ⦿ All ◯ Specify
Currencies ⦿ All ◯ Specify

Usage rules

Usage Rules | Payment System | Payment | Payment File | Grouping | Reporting | Additional Information

Payment System ISO20022 Payment System
☑ Automatically transmit payment file after formatting

Transmission details

◢ Payment System Accounts
View ▾ | ⟳ | ▦ Freeze | ⬌ Wrap

Payment System Account	Configuration Profile	Payment File Transmission Configuration
Settings_CGI	ISO CGI Settings_CGI	UCMPUTCT
Settings_SEPA	ISO CGI Settings_SEPA	UCMPUTCT

Usage Rules | Payment System | Payment | Payment File | Grouping | Reporting | Additional Information

◢ Document Grouping Rules
☑ Unique remittance identifier   ☑ Bank charge bearer   ☑ Delivery channel
☑ Remittance message   ☑ Payment reason   ☑ Ultimate Debtor
☑ Due date   ☑ Settlement priority

◢ Document Limits
Maximum Documents per Payment

Documents grouping in payments

Usage Rules | Payment System | Payment | Payment File | Grouping | Reporting | Additional Information

Payment File Accompanying Letter Format
Outbound Payment File Directory
Outbound Payment File Prefix
Outbound Payment File Extension

◢ Creation Rules

Payment Grouping Rules

Payments grouping in payment file

☑ Business Unit   ☑ Payment function   ☑ Bills payable
☑ First party legal entity   ☑ Payment reason   ☑ RFC identifier
☑ Payment currency   ☑ Disbursement bank account
☑ Payment date   ☑ Payment process request

Usage Rules | Payment System | Payment | Payment File | Grouping | Reporting | Additional Information

◢ Payment File Register

Reporting setup

Format Payment File Register Format with Document Detail
☑ Automatically submit when payments are confirmed

◢ Positive Pay
Format
File Prefix
File Extension
File Directory
☐ Automatically transmit file

◢ Separate Remittance Advice
Format Separate Remittance Advice Format
☑ Automatically submit when payments are confirmed
☐ Allow multiple copies for payment file
Condition All payments
Delivery Method Printed
☐ Override payee delivery method preference

◢ Regulatory Reporting
Reporting Option No reporting

Payment Method Setup

Edit Payment Method

* Name	VSL Electronic
Code	VSL Electronic
Description	
Alias	

Anticipated Disbursement Float	
* From Date	1/1/90
To Date	

Usage Rules | Validations | Bills Payable | Additional Information

☑ Automatically assign payment method to all payees

Payables | Receivables for Customer Refunds | Cash Management

☑ Enable for use in Payables

Business Units ● All ○ Specific

First Party Legal Entities ● All ○ Specific

Payment Process Transaction Types ● All ○ Specific

Cross Border Attributes

Currency [Foreign and domestic ▼]   Payee Location [Foreign and domestic ▼]

> Payment method usage rules

Usage Rules | **Validations** | Bills Payable | Additional Information

Predefined Validations

Validations

View ▼ ✚ ✖   ▦ Freeze   ↵ Wrap

* Validation
No data to display.

Parameters

Name
No data to display.

User-Defined Validations

Validations

View ▼ ✚ ✖   ▦ Freeze   ↵ Wrap

* Field	* Condition
Document payee bank account IBAN ▼	Required ▼

Document payee bank account IBAN Required: Parameters

> Pre-defined or user defined validations can be attached with payment method

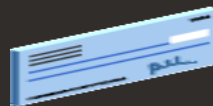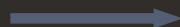# Key Features of Payments

Centralized Payments
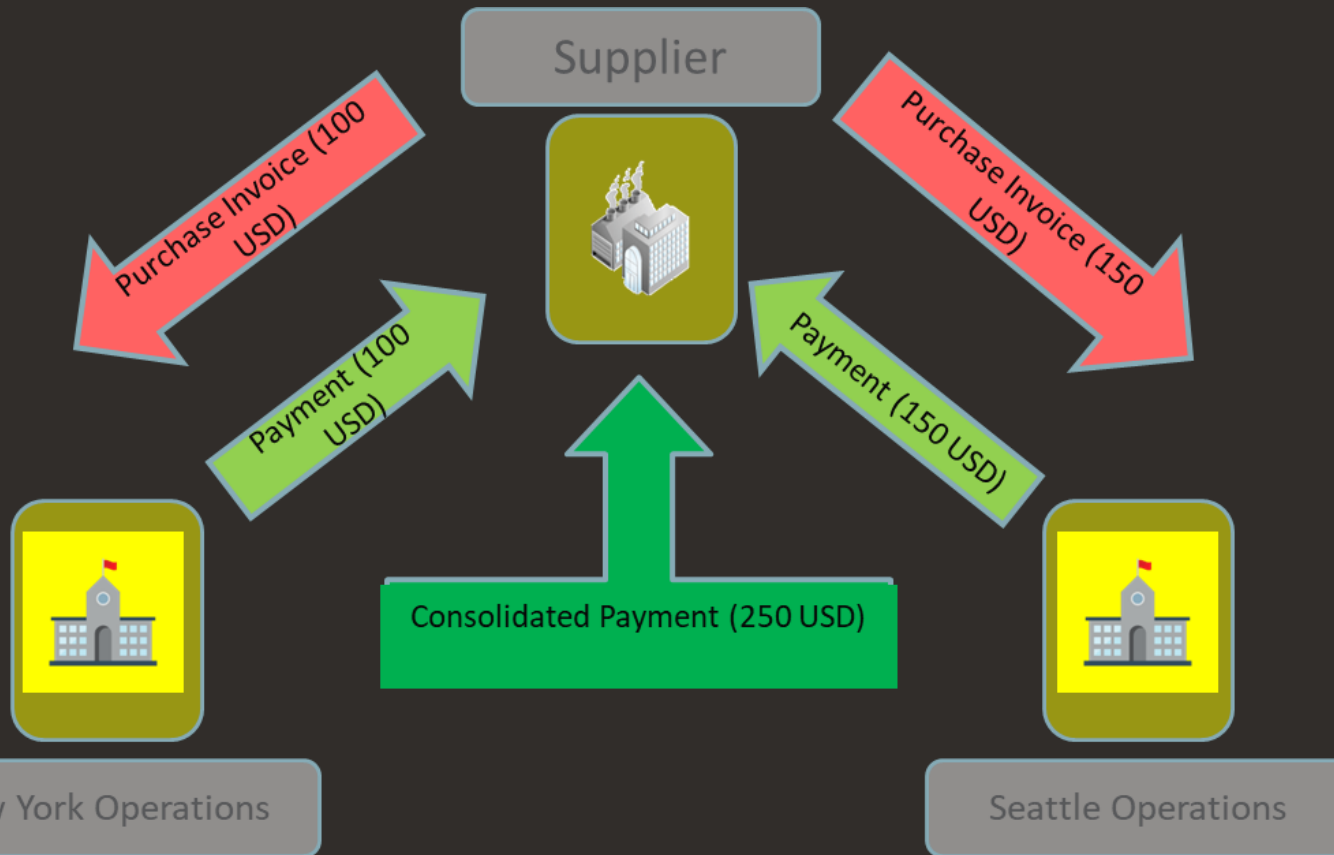
- ✓ Shared Services model – Improves flexibility and responsiveness.
- ✓ Better control over suppliers and their payments.
- ✓ Improved supplier relation management
- ✓ Reduced transaction and administration costs for payments

Cross Currency Payments
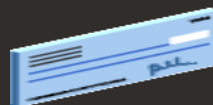
Normal Payment

Invoice in USD → Payment in USD

Cross Currency Payment

Invoice in USD → Payment in non USD

"Cross Currency Payment is a payment to the supplier in a currency different from the invoice currency"
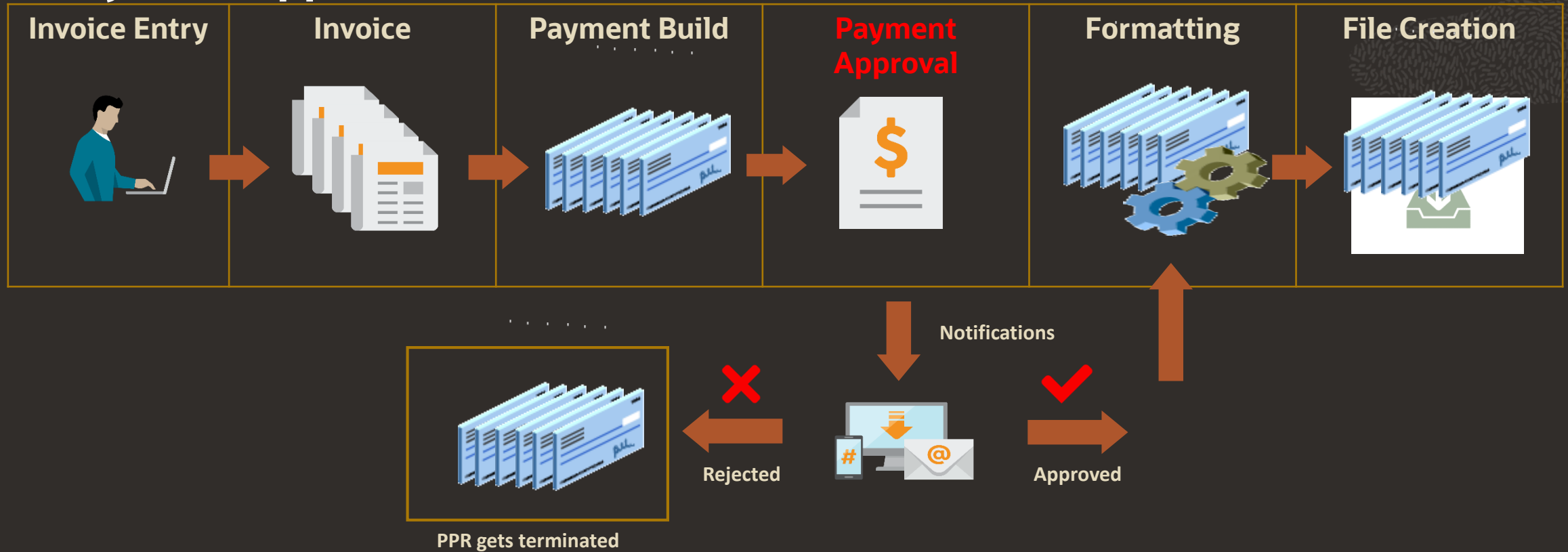
Effectively manage cross-border transactions

Allows customers to make payments in most stable currency

Comply with legal regulation which prescribes payment in a specific currency

Payment Approval

Invoice Entry	Invoice	Payment Build	**Payment Approval**	Formatting	File Creation

Notifications

Rejected

Approved

PPR gets terminated

✓ Enforce approval process for payment process requests

✓ Enable management to review and prioritize payments for best use of available funds

✓ Approve or reject payment process requests

Additional Information

- Working with Fusion Payments Formats MOS Note 1413989.1
- Troubleshooting guide on Formatting and the Payment Process MOS Note 1388385.1
- PGP Encryption and Digital Signature for Payment Files MOS Note 2134791.1
- Oracle Financials Cloud Using Payables Invoice to Pay
- Oracle Financials Cloud Implementing Payables Invoice to Pay

Thank you