



October 9, 2018

Announcing JD Edwards Lease Management Enhancements for Lease Term Changes and Lease Simplification

What Are We Announcing?

Oracle is pleased to announce the availability of additional JD Edwards EnterpriseOne Lease Management enhancements to support lessee lease administration and the new global lease accounting standards.

Lease Management Enhancements to support lease administration and FASB ASC 842 / IASB IFRS 16 Regulations

New global Lease Management regulations will require many companies to change how they account for and report on lease transactions.

Lessees of both property and non-property will need to recognize the assets and liabilities on the balance sheet for the rights and obligations created by those leases, with slight differences in accounting requirements between ASC 842 and IFRS 16.

Lessors of property will continue to report rent on a straight-line basis and will also need to adhere to the new revenue recognition accounting standards (ASC 606 and IFRS 15).

The effective date for public companies is with reporting periods beginning on or after December 15, 2018, and with private companies with reporting periods beginning on or after December 15, 2019.

Previously JD Edwards delivered Balance Sheet Accounting for Lessees of Property and Non-Property, Revenue Recognition for Real Estate, and FASB 13 (straight-line rent).

Today, we are announcing Lease Term Changes and Lease Simplification for lessee leases for EnterpriseOne 9.2. These enhancements include:

- The ability to manage lease term changes for lessee leases
- The ability to account for a guaranteed residual value (GRV) obligation at the end of the lease term.
- The ability to manage the reporting of lessee accounting for leased assets to another entity (such as a parent company) where the lease classification is different (e.g., operating vs. finance lease).
- The introduction of form, grid, and Café One personalization's to simplify lease administration.

In addition to compliance to the standards, companies can gain significant benefits from the JD Edwards solution, including:

- Minimized errors using features that automate updates to recurring payments when the terms of a lease change.
- Substantially improved audit controls and operational efficiencies using features that identify leases with changed lease terms and automate the updates to Lease Liability and Right-of-Use asset amortization schedules, which in turn generate automatic adjustments to the balance sheet accounts based on the lease term changes.
- Increased control and visibility of all lease term changes for the entire lease portfolio.
- Improved operational efficiencies with a decreased number of clicks needed to setup and maintain lease terms through a simplified lease master.
- Ability to account for a guaranteed residual value (GRV) in the Lease Liability and Right-of-Use asset amortization schedules.

Updated information on balance sheet lessee accounting for property and non-property, and all JD Edwards lease accounting enhancements can be found on LearnJDE.com in the [Lease Management](#), [Financial Management](#), [Real Estate Management](#), or the [Asset Lifecycle Management](#) pages.

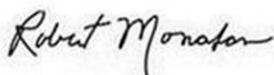
Also see the [Lease Accounting Standards Frequently Asked Questions](#).

Supporting Resources

- [Oracle's JD Edwards EnterpriseOne](#)
- [LearnJDE.com](#)
- [Balance Sheet Lessee Accounting Documentation](#)

Today's announcement demonstrates Oracle's continuing investment in JD Edwards products and our commitment to our customers to meet global accounting standards.

Sincerely,



Robert Monahan

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Oracle JD Edwards

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