



July 11, 2018; Updated October 3, 2018 to include 12.1.3 patch set details; Updated February 28, 2019 with current patch set information both for 12.1.3 and for 12.2.4 and higher

## Update to Oracle Financials Provides Support for IFRS16 and ASC842 Accounting Standards for Equipment Lessees

Oracle is pleased to announce an update to Oracle E-Business Suite [Oracle Financials](#) that provides support for IFRS16 and ASC842 accounting standards changes for equipment lessees.

Starting in 2019, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) will require adherence to new accounting standards for equipment lessees. To meet the new standards, equipment lessees are required to make significant changes in accounting and reporting by adding their leases to their balance sheet as lease liabilities with corresponding right-of-use (ROU) assets.

The update to support these accounting standards changes for equipment lessees is delivered in consolidated patch sets to [Oracle Property Manager](#). Oracle Financials users are granted Restricted Use of Oracle Property Manager for the purpose of accounting for equipment expense leases.

### New Functional and Technical Capabilities

The update provides the following capabilities:

- **Contract Abstraction and Migration:** UIs are provided to capture contractual terms and conditions (attributes) and asset information for leases. New UIs and APIs are available to capture and amend the contracts.
- **Lease Accounting Transformation:** A new accounting infrastructure provides the ability to account for and amortize the liability and right-of-use asset. This new infrastructure includes the ability to determine SLA/GL account codes based on sources from the equipment lease contract.
- **Global Lease Management:** The solution supports Multi-GAAP with the ability to account under existing GAAP, IFRS16, and ASC842 for the same contract.

- **Flexible Amortization Schedules:** Amortization of the right-of-use and liability using various options (e.g., 30/360, 4-4-5, daily calculations) for each GAAP is provided.
- **Support for Foreign Currency:** The solution supports and accounts for multiple currencies on the same contract, providing you the ability to manage your ROU and liability in the entered and functional currencies.
- **Enhanced Reporting:** There are reports to help with managing the new lease accounting and disclosures, including the Lease Analysis Report, Lease Detail Report, Portfolio Detail Report, and Portfolio Summary Report. These reports combine information from your Property lease portfolio to provide a single view of all of your leases.

## Availability

### Release 12.2.4 and above:

~~The update to support lease accounting for equipment lessees on Release 12.2.4 and above is available on My Oracle Support as [28073854:R12.PN.C](#). Instructions for applying the patch set are included in the associated Readme.~~

### Release 12.1.3 and above:

~~The update to support lease accounting for equipment lessees on Release 12.1.3 and above is available on My Oracle Support as [28654722:R12.PN.B](#). Instructions for applying the patch set are included in the associated Readme.~~

**Updated February 28, 2019:** The relevant Oracle Property Manager updates both for 12.1.3 and for 12.2.4 and higher are currently available. See the “E-Business Suite Release 12: Oracle Property Manager IFRS & Equipment Lease Information Center” (Doc ID [2482062.2](#)) for current patch set information.

## Supporting Resources

- “Enhancements to Property Manager for Compliance with New Accounting Standards” ([Doc ID 2388210.1](#))
- [Use Oracle E-Business Suite to Manage Your Leases for ASC842 and IFRS16 \(video\)](#)
- “E-Business Suite Release 12: Oracle Property Manager IFRS & Equipment Lease Information Center” (Doc ID [2482062.2](#))

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