



## Advisory: Oracle Fusion Cloud Applications and the German Federal Financial Supervisory Authority (BaFin)



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## **DISCLAIMER**

This document is for informational purposes only and is intended solely to assist you in planning for the implementation and upgrade of the product features described. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described in this document remains at the sole discretion of Oracle.

Due to the nature of the product architecture, it may not be possible to safely include all features described in this document without risking significant destabilization of the code.

The information contained in this paper does not constitute legal advice. Customers are advised to seek their own legal counsel to develop and implement their compliance program and to assess the features and functionality provided by Oracle in regard to their specific legal and regulatory requirements.

## DOCUMENT PURPOSE

Oracle commissioned Schellman & Company, LLC to assess Oracle Fusion Cloud internal controls against the criteria within the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) regulations for information security and risks related to outsourcing (“BaFin regulations”). The examination covers the period from July 1, 2021 to June 30, 2022. As a result of this assessment, Schellman compiled a formal auditor opinion letter for Oracle Fusion Cloud Applications Suite on October 7, 2022 according to ISAE 3000 Type 2 standards.

Oracle commissioned this auditor opinion letter for the purpose of helping Oracle financial sector customers in Germany assess the suitability of using certain Oracle services in the context of BaFin. Oracle itself is not directly subject to compliance with BaFin requirements.

## APPLICABILITY

The auditor opinion letter covers selected requirements of the following regulations:

- Banking Act of the Federal Republic of Germany (KWG);
- Insurance Supervision Act of the Federal Republic of Germany (VAG);
- Guidance on outsourcing to cloud service providers;
- Minimum Requirements for Risk Management (MaRisk);
- Minimum Requirements under Supervisory Law on the System of Governance of Insurance Undertakings (MaGO);
- Supervisory Requirements for IT in Financial Institutions (BAIT);
- Supervisory Requirements for IT in German Asset Managers (KAIT); and
- Supervisory Requirements for IT in Insurance Undertakings (VAIT).

The assessment was carried out for the following Oracle Cloud Services:

- *Oracle Fusion Cloud Services*  
The Oracle Fusion Cloud Services were designed as open standards-based business applications, making them highly adaptable. The following Oracle Fusion Cloud Services applications were evaluated with respect to this assessment:
  - Human Capital Management (HCM);
  - Enterprise Resource Planning (ERP);
  - Sales Cloud (CX Sales); and
  - Supply Chain Management (SCM).
- *Oracle EPM Cloud Services*  
The Oracle EPM cloud-based platform comprises of various saleable solutions that ensure visibility in an organisation’s operations. EPM Cloud Services modules evaluated as part of this assessment include the following:
  - Connected Planning;
  - Narrative Reporting;
  - Comprehensive Financial Close; and
  - Enterprise Data Management.
- *European Union Restricted Access (EURA)*

## AUDITOR OPINION LETTER SUMMARY

Based on the examination, Schellman did not identify any testing exceptions for Oracle’s controls related to how customers subject to the BaFin regulations may be compliant when using the Oracle Fusion Applications, Oracle

Cloud EPM, and Oracle EURA Cloud Service for Oracle Fusion Applications and Oracle Cloud EPM, as noted in their opinion dated October 7, 2022.

Customers are solely responsible for determining the suitability of a cloud service in the context of BaFin. The information in the auditor opinion letter compiled by Schellman is provided to aid German financial services customers in their evaluation of Oracle Fusion Applications.

## **WHERE TO FIND THIS AUDITOR OPINION LETTER**

The reports are available both in English and German. Please reach out to your Sales Representative and/or Account Manager to request access to the auditor opinion letter.