Cross currency payment in Oracle Fusion Financials Payment work Bench :

In Oracle Fusion cross-currency payment option available in the previous version (Oracle Apps R12 And 11i) this option is not available. It is one of the new future in Fusion Account Payables.

What Is Cross Currency Payment?

System allowed pay invoices in any currency, irrespective of the currency on the invoice.

For example, Invoice Created In INR If you want to pay USD system will allow making the payment

- while Creation Of invoice, you can manually select the payment currency, irrespective of the invoice currency.

While Making payment creation, based on exchange rates converts the invoice amount to the payment amount.

Key Benefits for this option

- Manage your cross-border transactions effectively.
- Comply with legal regulations and make payments in the prescribed currency mandated by the country authorities for the resident supplier.
- Save costs by making payments in the most stable currency and avoiding losses due to currency rate fluctuations.

Setups:

If you want to default on payment currency for BU Or Supplier

1. If you want to be set Business Unit Base Go Invoice Options select Invoice currency and payment currency's

2. If You want to set Supplier Base Go To supplier site level go to invoice tab and set your payment currency

Manage Invoice Options

Business Unit   Cisco_BU1

Invoice Entry

☐ Require invoice grouping

☐ Allow document category override

☐ Allow adjustments to paid invoices

☐ Allow remit-to supplier override for third-party payments

☐ Recalculate invoice installments

☐ Hold unmatched invoices

Receipt Acceptance Days [   ]

Invoice Currency [▼]

Payment Currency [▼]

The cross-currency payment feature is supported for prepayment type invoices also. A prepayment type invoice can also be created as a cross-currency invoice that is, the invoice currency is different from the payment currency. The prepayment application is feature is enhanced to support cross-currency transactions. You can apply the prepayment to an invoice provided the invoice currency of the invoice and the invoice currency of the prepayment are one and the same.

Conversion Rates

In addition to cross-currency rates, other conversion rates can apply when invoices and payments have different currencies. Following is the list of conversion rates:

- Invoice conversion rate: Converts the invoice currency to the ledger currency
- Cross-currency conversion rate: Converts the invoice currency to the payment currency
- Payment conversion rate: Converts the payment currency to the ledger currency

How Cross-Currency Payments Are Accounted

You can account for cross-currency payments individually or through the Create Accounting process. The accounting entries for the payment relieve the liability account in the invoice currency with an offset to the cash or cash clearing account in the payment currency.

Example

This table shows the invoice and payment accounting entries for an invoice with the following currency information:

Invoice amount and currency: 100 GBP

Payment currency: EUR

Ledger currency: USD