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August 2018; Updated December 3, 2018 to include 12.1.3 patch set details

Update to Oracle Projects Provides Support for Managing Project Revenue According to IFRS15 and ASC606

Oracle is pleased to announce an update to Oracle E-Business Suite Oracle Projects that provides support for IFRS15 and ASC606 accounting standards changes for revenue recognition from contracts with customers.

IFRS15 and ASC606 are new revenue recognition standards issued by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), respectively. The new standards, which replace existing IFRS and US GAAP revenue guidance, are intended to provide comparability in revenue recognition across industries and to eliminate inconsistencies in prior revenue requirements.

Since these standards became effective earlier this year, Oracle has been supporting organizations implementing changes in their business to accommodate the new policies. To further aid in the implementation and management of project revenue according to the new accounting standards, new consolidated patch sets to Oracle Projects have been released.

New Functional and Technical Capabilities

The update provides the following capabilities:

- **Capture Performance Obligations:** UIs are provided in the context of a project to capture performance obligations that are committed to the customer.
- **Derive Progress against Performance Obligations:** Oracle Projects' revenue and invoice generation programs are enhanced to derive progress against the performance obligations that can be shared with the customer for acceptance.
- **Maintain Contract Asset and Liability Balances:** This enhancement provides the capability to capture the value of contract asset and contract liability arising out of each performance obligation. Contract liability balances are adjusted when committed deliverables are transferred to the customer and revenue is recognized. Contract asset balances are adjusted when billing invoices are generated.
- **Integration with Oracle Revenue Management Cloud:** Oracle Projects has

enriched its existing integration with Oracle Revenue Management Cloud to facilitate compliance with new accounting guidelines for bundled contracts

Availability

Release 12.2.7 and above:

The update to support management of project revenue according to IFRS15 and ASC606 on Release 12.2.7 and above is available on My Oracle Support as 28316916:R12.PJB.C. Instructions for applying the patch set are included in the associated Readme.

Release 12.1.3 and above:

The update to support management of project revenue according to IFRS15 and ASC606 on Release 12.1.3 and above is available on My Oracle Support as R12.PJ_PF.B.delta.8. Instructions for applying the patch set are included in the associated Readme.

Supporting Resources

- "Manage Project Revenue According to IFRS 15/ASC-606" (Doc ID 2432035.1)

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Applications & Platform Services

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