

## What's New in Regulatory Compliance

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# Release Highlights

# Regulatory Compliance

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## IFRS9 Accounting » Calculating ECL on EAD using Outstanding Principal

The calculation of Expected Credit Loss (ECL) applies to all financial assets measured under amortised cost or at fair value through other comprehensive income. These assets may be loans, debt securities or trade receivables and can vary from entity to entity depending on the nature of the business and the products they provide.

This feature allows the Expected Credit Loss (ECL) to be calculated on Exposure at Default (EAD) using Outstanding Principal Balance. Exposure at Default (EAD) is the amount outstanding under a financial asset when a borrower defaults.

The feature provides the ability to:

- Select the EAD model for ECL calculation
- Choose the method of including the past due for marginal EAD calculations
- Choose whether ECL discounting is required for 12-Month and lifetime ECLs

**The topic related to this feature is given below:**

[ECL on EAD using Outstanding Principal](#)

[Contracts with Defined Cashflows - Cashflow Method](#)

[IFRS.PARAMETER](#)