

Business

GlobalTrade Corporation: GTC Launches Trade Finance Exchange Platform

TORONTO, Nov. 13, 2019 - GlobalTrade Corporation (GTC) announced today that it is developing the Trade Finance Exchange Platform (TFX) that will simplify the price discovery process between corporations and financial institutions and create a digital trade finance marketplace for trade assets. TFX will be tightly integrated with GTC's existing @GlobalTrade™ Multi-bank Trade Finance Management Platform used by corporates and financial institutions globally since 2004 for management of payment instruments used in international trade. TFX is being developed in consultation with three global corporations: Baker Hughes, Lindner Group and Siemens AG, and three global banks: CA CIB, HSBC and Standard Chartered.

"Our clients have asked us to add this functionality to our platform and we have responded," said Jacob Katsman, Founder & Chairman of GlobalTrade Corporation. "They wanted request for proposal (RFP) functionality to be integrated with our trade finance management platform that they are using daily for processing guarantees and export documentary credit business. The idea of a web-based platform, where corporates can submit to financial institutions requests for pricing on trade finance instruments, was originally introduced by LC Connect in the United States in 2002. In recent years, several trade finance marketplaces emerged with a similar idea. The problem for corporates using these marketplaces is that they are stand alone and are not integrated with a trade finance management system. This is where the GTC solution will be different," added Katsman.

Siemens has joined two other corporates and three significant bank partners as a member of GTC's initiative. In 2012 already, through extensive research, Siemens identified several relevant key factors that are essential for the success of an RFQ platform. "At its core, of course, an RFQ platform must be driven by corporations with a large volume of transactions and should contribute to internal and external process optimizations, as well as provide a system-integrated audit trail. But on top of that, it needs to offer value-added services also to financial institutions that would encourage their cooperation," says Gerhard Heubeck, Head of Trade Finance Advisory at Siemens AG. He also notes that a sustainable revenue model is essential to any successful platform. "According to the criteria we've defined in our research, the tight collaboration within this initiative fulfills the needs of both corporate and financial institutions," Heubeck explains.

"We are excited to be one of the first companies adopting TFX," said Gessica Scida, Head of Trade Finance Advisory at Baker Hughes. "Taking part in the TFX Working Group was valuable experience. It was great to see how an idea can be transformed into a live product. The benefit of an RFQ integrated with the trade finance management platform will be huge, both for corporates and banks. It will help the banks to understand upfront what corporates need, provide quick assistance where they are able to help, or just pass on the business in an area or country where the bank cannot support. TFX will also allow the corporates to work in parallel across the bank network to meet the international requirements," Scida added.

"For a long time we have been missing a solution for Trade Finance Business with a functionality similar to the one provided by 360T for Treasury instruments, in order to ensure transparency of pricing and efficient processing for guarantee business," said Sven Matzelsberger, Head of Group Treasury - Lindner Group KG. "With TFX we are happy to have found such a solution, which additionally provides electronic interface to our banking partners and ensures structured communication."

"The TFX platform has been developed to fulfil a long-standing client need for multi-bank bidding platform. HSBC were happy to provide our input to ensure the platform would work for all parties, including our clients. We are firm believers in the simplification and digitisation of trade and anticipate that initiatives such as TFX will improve the transparency and efficiency of the trade finance eco

system," said Vinay Mendoca, Managing Director & Global Head Product, Propositions & Structuring, Trade & Receivables Finance, HSBC.

"Co-creation with our clients, fintech partners and the industry is an important part of our strategy to deliver great experiences for our customers. We are proud to be a founding partner for this initiative that will improve transparency and enable automation for all the key actors in the trade finance ecosystem," said Michael Vrontamitis, Head of Trade, Europe & Americas Transaction Banking, Standard Chartered Bank.

"The digital transformation of Trade finance for the benefit of our valued clients rests in the core strategy of Credit Agricole CIB. TXF multi-Bank platform initiative will ensure seamless communication with greater accessibility, transparency and efficiency to our clients and we are pleased to play a role along with other top global trade banks in effectively addressing changing needs and key demands of our corporate clients," said Naeem Khan - Global Head of Trade Finance Credit Agricole Corporate and Investment Bank.

TFX is scheduled to Go Live in 2020.

About GTC

GlobalTrade Corporation (GTC) is a software developer and application service provider whose product solutions improve the world of trade finance and trade services. The @GlobalTrade systems help buyers, sellers, traders, and financial institutions communicate faster and more efficiently while reducing risk and improving monitoring and control. Their customers include both business enterprises that need consolidated access to multiple banks, as well as financial institutions that require supply chain finance solutions to meet their clients' needs. @GlobalTrade™ is a registered trademark of GlobalTrade Corporation. For more information please visit www.globaltradecorp.com.