

# HSBC, Standard Chartered and Crédit Agricole join trade finance assets marketplace

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HSBC, Standard Chartered and Crédit Agricole Corporate and Investment Bank have linked up with GlobalTrade Corporation to develop a digital trade finance marketplace for trade assets.

Canada-based GlobalTrade Corporation (GTC) is a provider of global trade solutions for large corporations and financial institutions through its @GlobalTrade multi-bank trade finance platform, which connects global corporations to their financial institutions by automating and digitising letters of credit, bank guarantees, documentary collections and supply chain finance.

This latest partnership will expand upon the company's offering by adding the possibility of enabling corporates to submit requests for pricing on trade finance instruments to financial institutions. Called the Trade Finance Exchange Platform (TFX), it also counts on the input of three global corporations: Baker Hughes, Lindner Group and Siemens AG, for its development.

“Our clients have asked us to add this functionality to our platform and we have responded,” says Jacob Katsman, founder and 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 allowing price discovery for trade finance instruments is not a new one. Katsman adds that it was originally introduced by the now-defunct LC Connect in the United States in 2002. “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,” he says.

Gessica Scida, head of trade finance advisory at Baker Hughes, explains why tying such a platform into an already-existing multi-bank system makes sense. “The benefit of a request for quotation (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,” she says.

Having the backing of three major trade banks should also see the solution gain traction amid a market that is seeing an increasing number of – often competing – platforms spring up. One problem that has plagued many initiatives has been that they are too bank-focused and do not take into account the needs of clients from the get-go, but Michael Vrontamitis, head of trade, Europe and Americas transaction banking at Standard Chartered Bank, says that this will not be an issue for TFX. “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,” he says.

TFX is scheduled to go live during 2020.