

Open and Trade Finance for Helping Companies to Better
Harness Business Opportunities

Documentary Credit For Trade Finance Facilitation



Sustainable and Digital Trade Facilitation Week



UN/CEFACT



8-12 July 2024

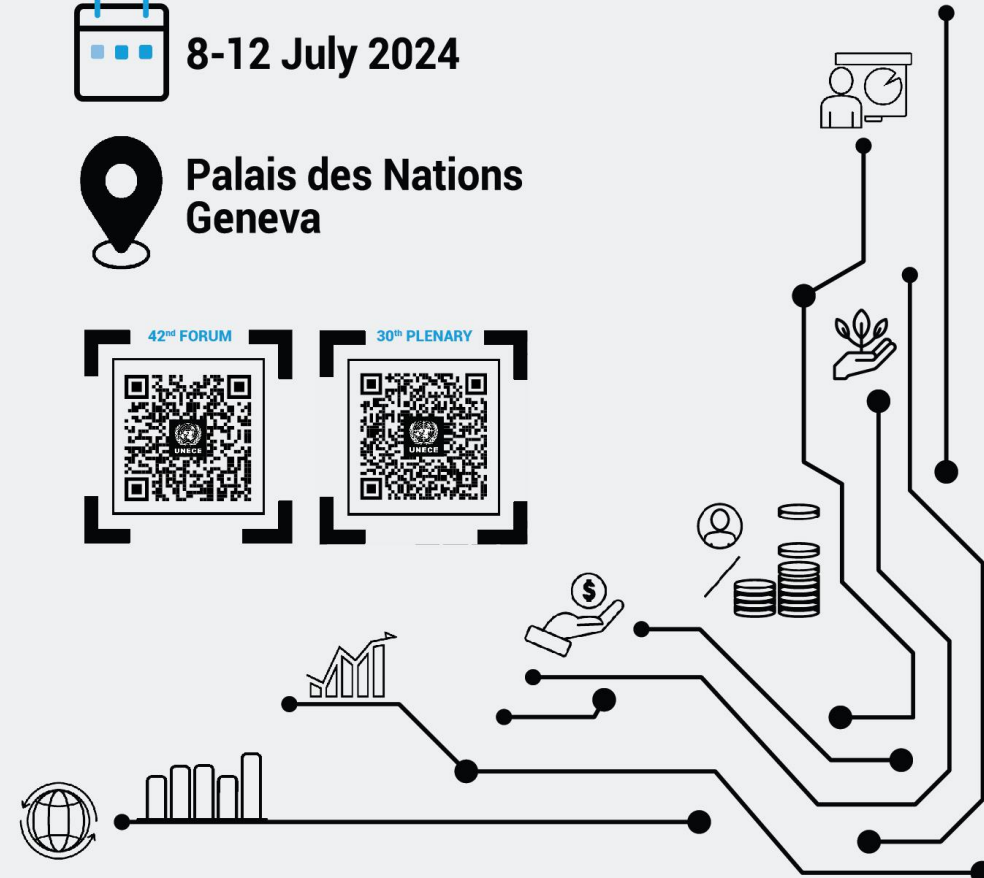


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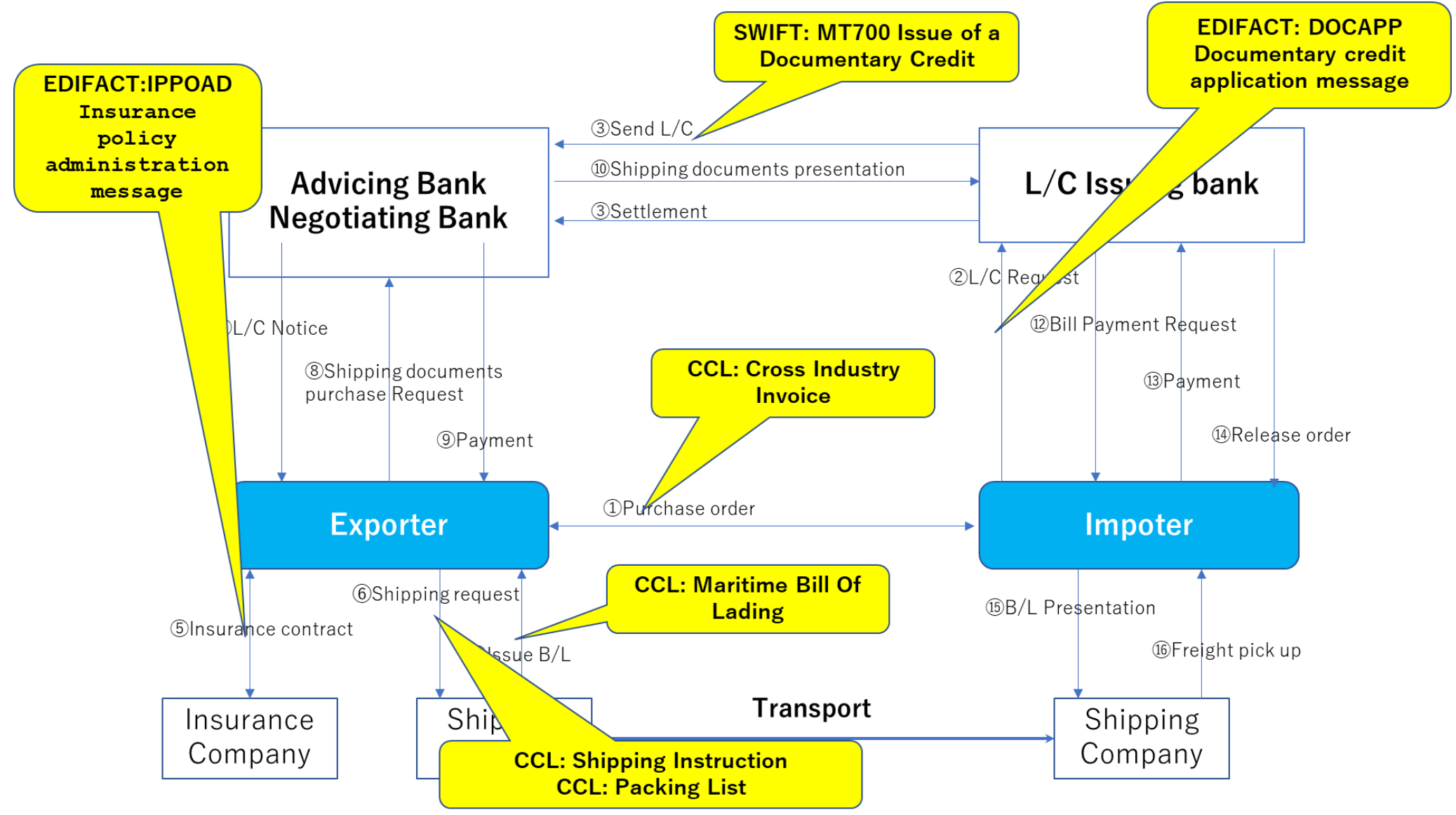
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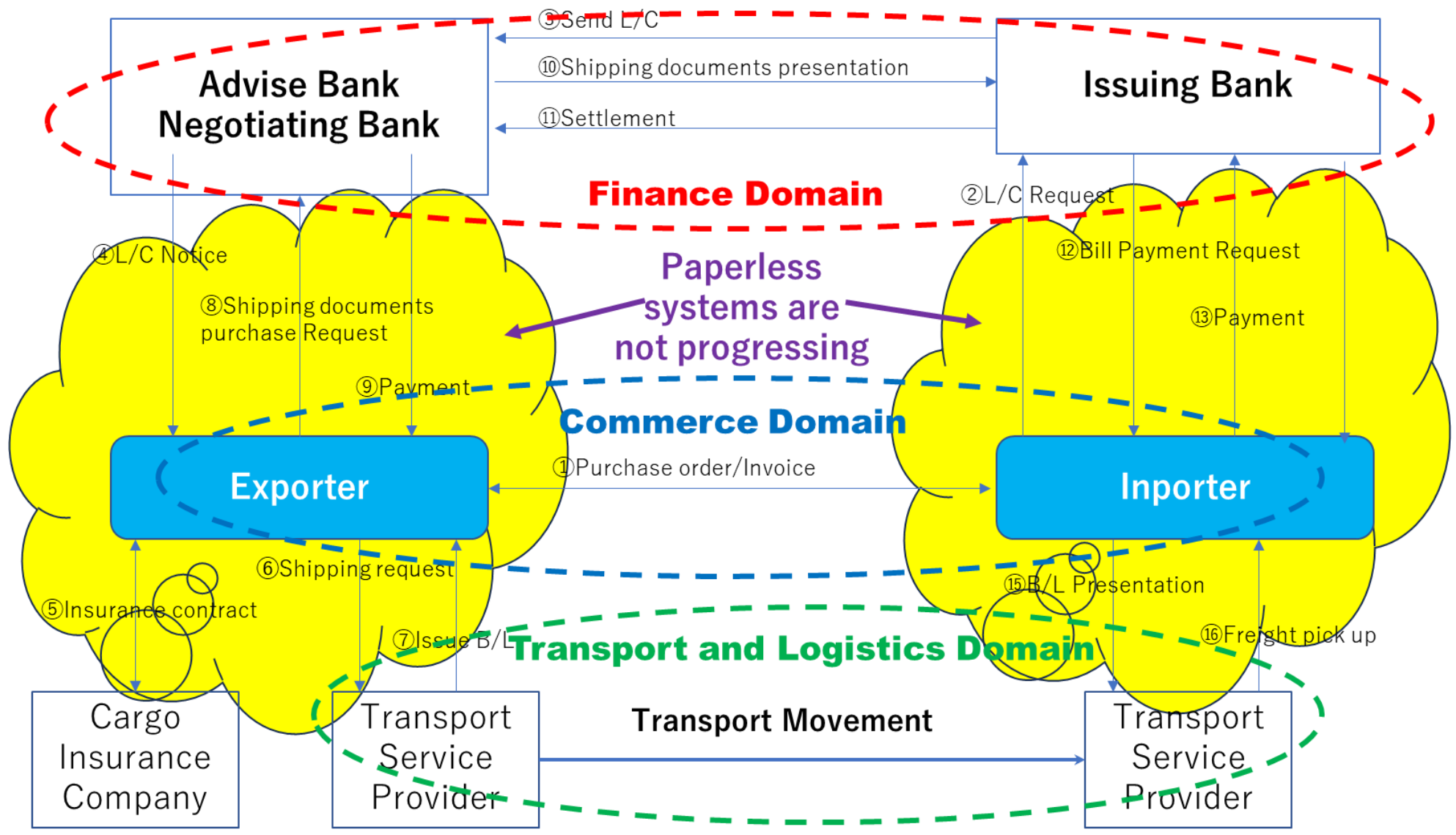
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International Trade vs Standards

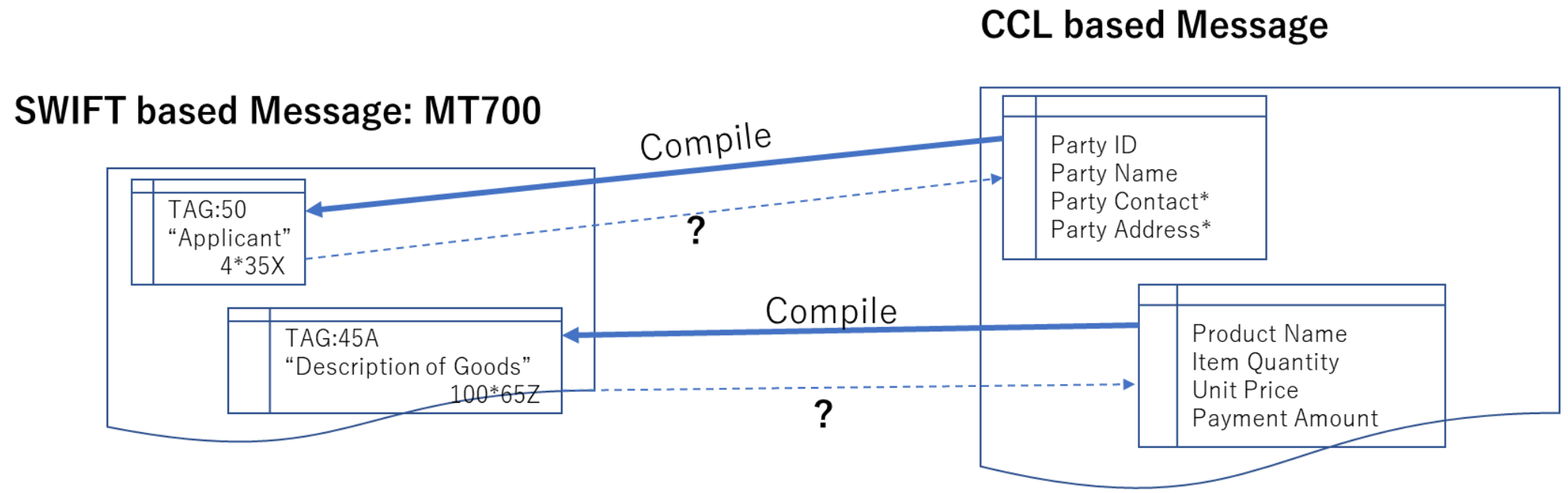


Issue: Cross-Industry Information Sharing



Sharing information on Financial and Commercial/Logistics

Issue: Information mapping



Project: Buy/Ship/Pay Data Exchange Structures for Trade Finance Facilitation

Project submitted: 8 February 2023
By Sue Probert and Hanane BECHA

Project Purpose

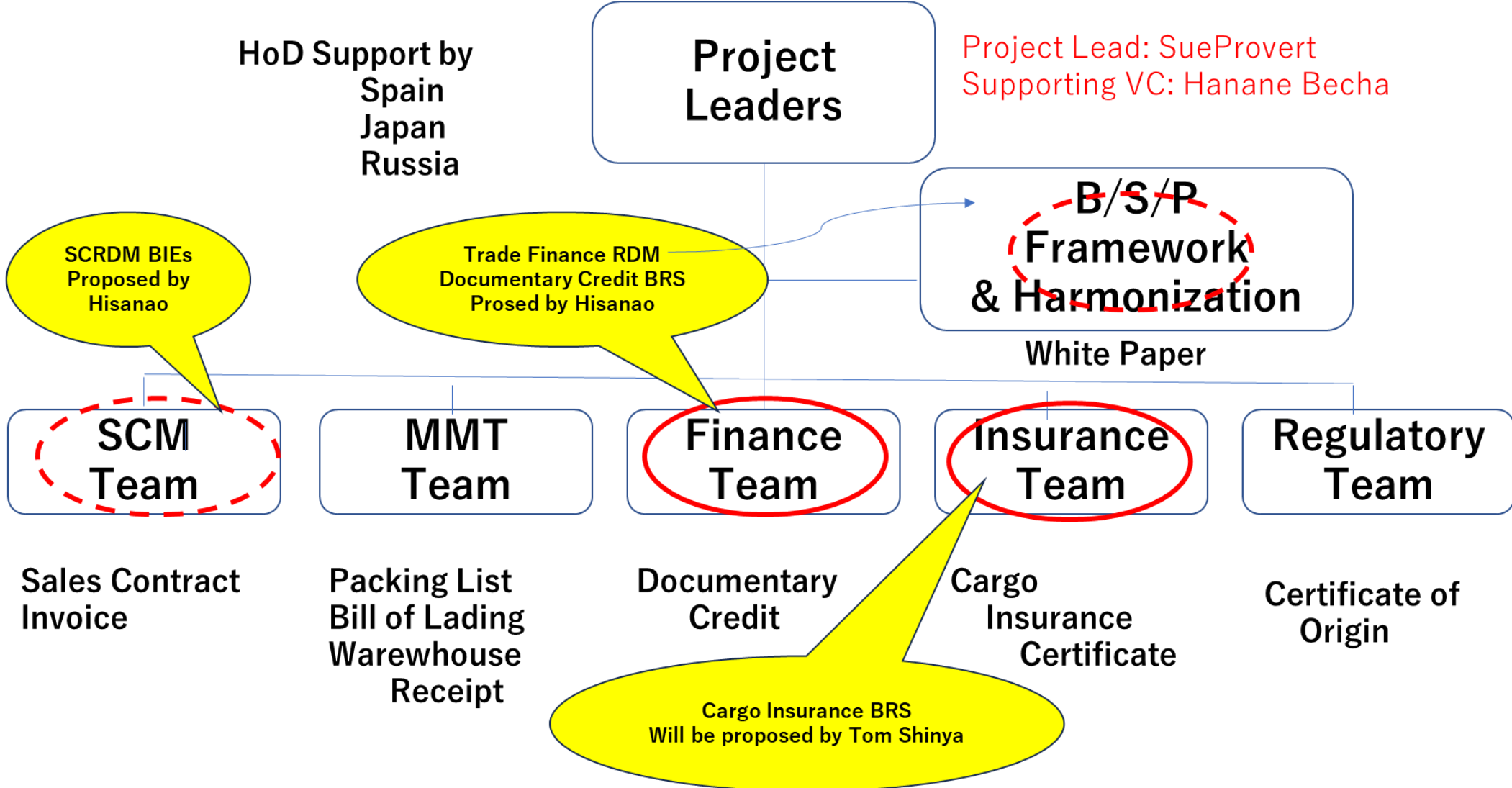
In order to support the implementation of MLETR for title transfer, this project will develop data exchange structures as subsets of the Buy/Ship/Pay Reference Data Model (BSP RDM) to support key trade finance data exchanges as part of the UNECE “digital and green transformations for sustainable development in the ECE region” strategy.

Project Deliverables

- BRS and eBusiness Standard for Documentary Credit Advice
- BRS and eBusiness Standard for Non-Preferential Certificate of Origin
- BRS and eBusiness Standard for Maritime Cargo Insurance Certificate
- BRS, implementation guideline and CCBDA subset for Warehouse Receipt
- CCBDA Implementation guideline for Trade Finance Subset for Invoice
- CCBDA Implementation guideline for Trade Finance Subset for Packing List
- eBL Harmonized ISO, BIMCO, FIATA, DCSA based on CCL
- Trade Finance White Paper



Project Formation



Documentary Credit Process

The documentary credit process uses the letters of credit and other trade settlements which are points of contact between commercial flow, physical distribution, and money flow in trade, and information items defined in each reference data model are used in relation to each other.

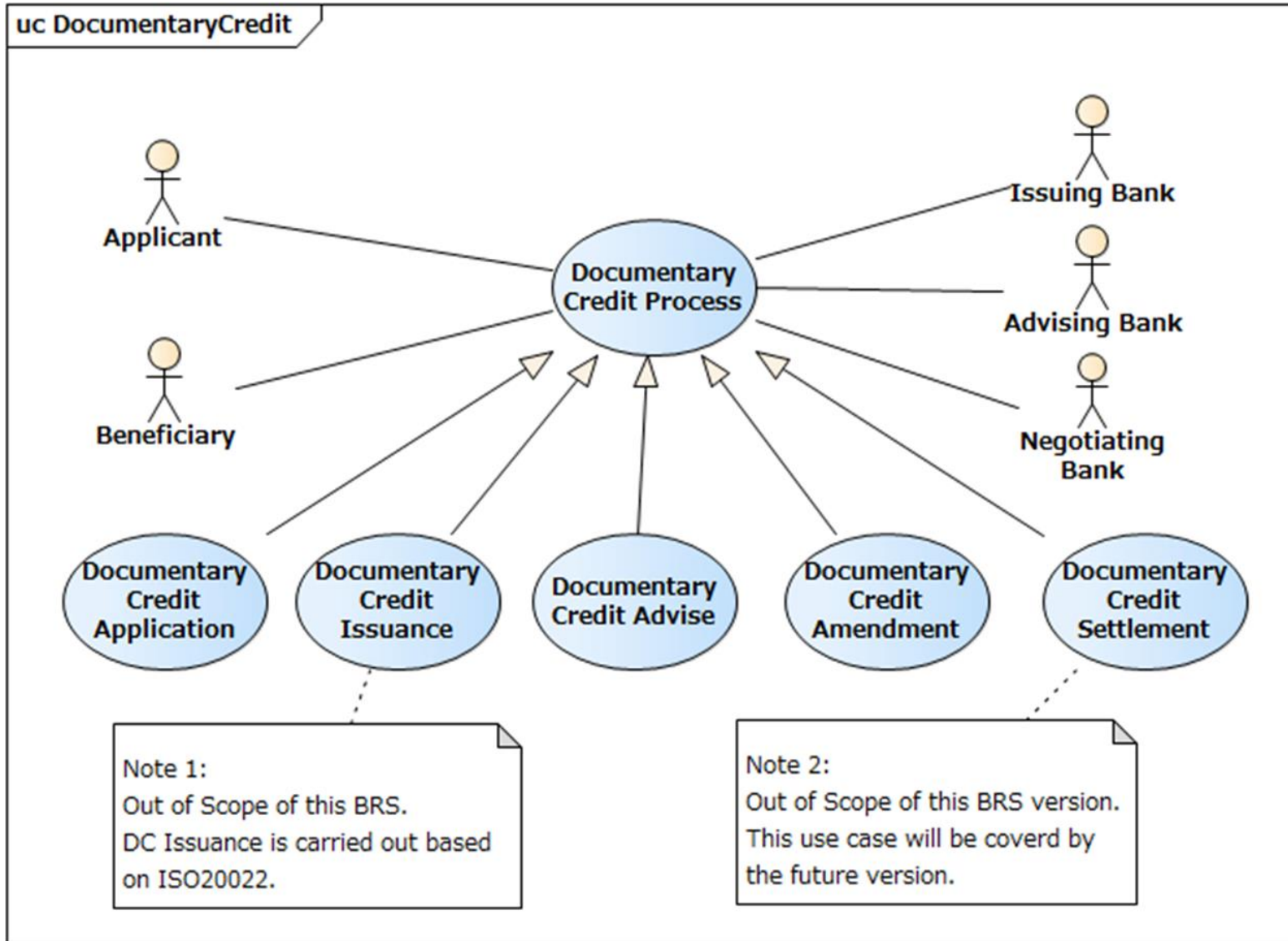
OBJECTIVE

The objective of this document is to standardize the business processes, the business transactions and the information entities of the documentary credit used by the industries in the trade finance, supply chain and transport and logistics.

SCOPE

This BRS covers everything from the importer's application for a documentary credit, the bank's issuance of the documentary credit, notification of the documentary credit to the exporter, modification of the documentary credit, and settlement process by the exporter. It does not go into details of the process and information model of a documentary credit issuance procedures which comply with banking industry standards, such as SWIFT standard.

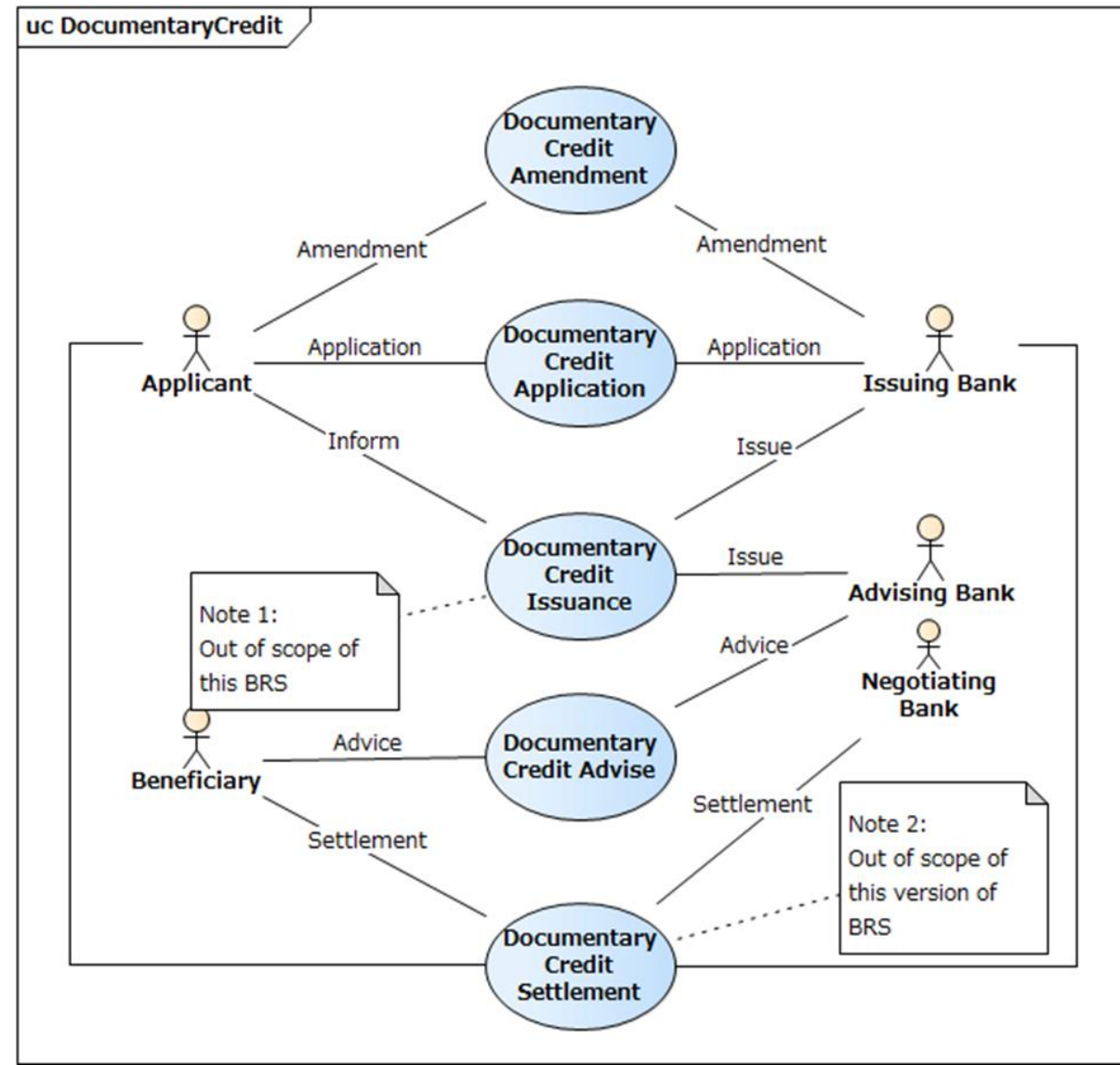
Business Domain Use Case



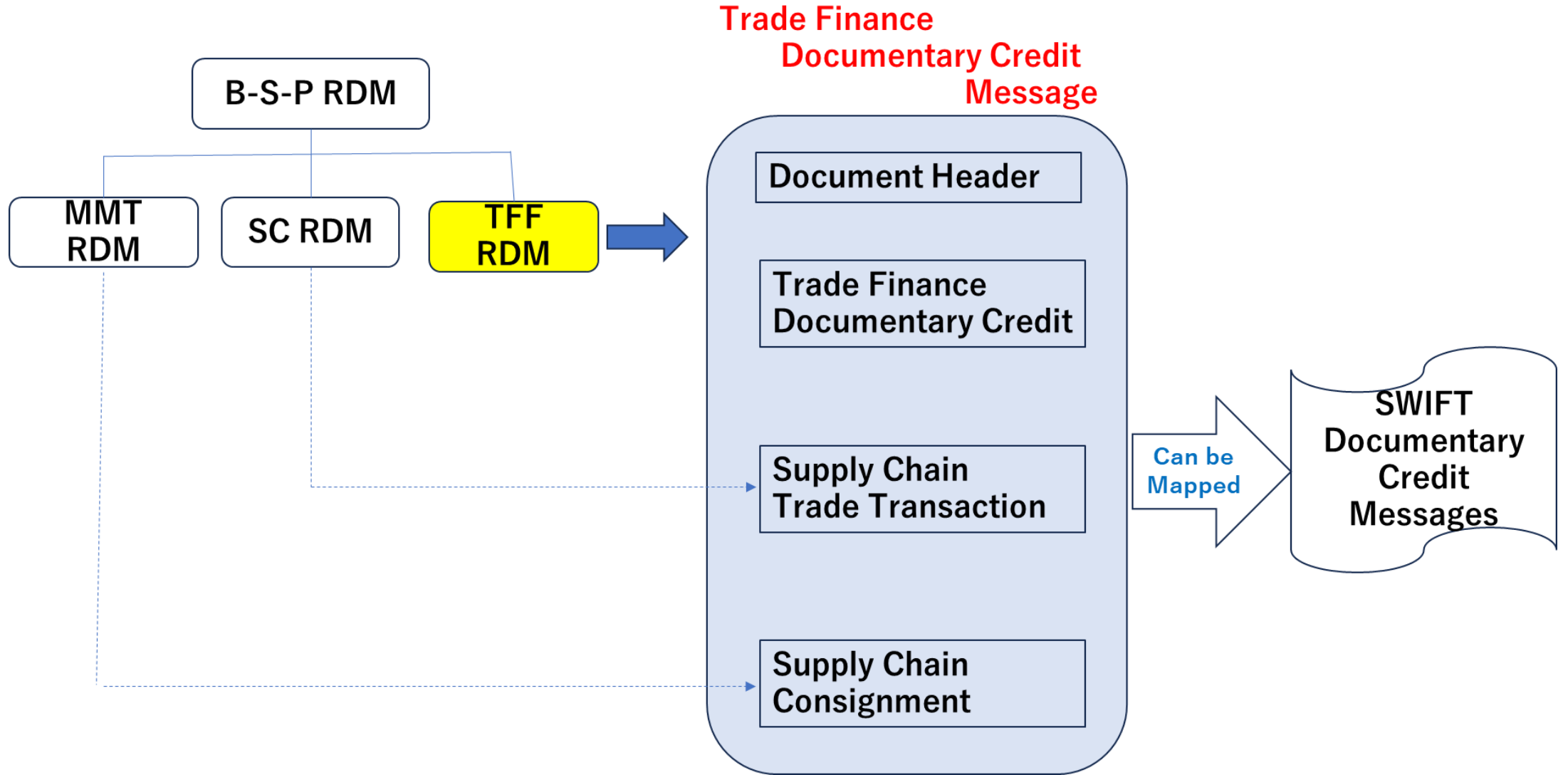
Note 1:
This document does not go into details of the process and information model of a documentary credit issuance procedures which comply with banking industry standards, such as SWIFT standard.

Note 2:
The details of the exporter's settlement procedure, is not covered in this BRS, and we look forward to the next version.

Business Collaboration Use Case



Information Model



Documentary Credit: Project Status

Public Review of BRS

19 APR 2024 – 19 JUN 2024 : Finalized
Waiting for the Bureau decision !

Harmonization of BIEs for CCL

Harmonization started at 03 JUL 2024
Required BIEs will be in the CCL 2024A !

Next version of Documentary Credit

Requirement analysis for the settlement process will be started
soon !

Thank you!

Hisanao Sugamata

Supply Chain Information Platform Study Group

Date: 10 JUL 2024



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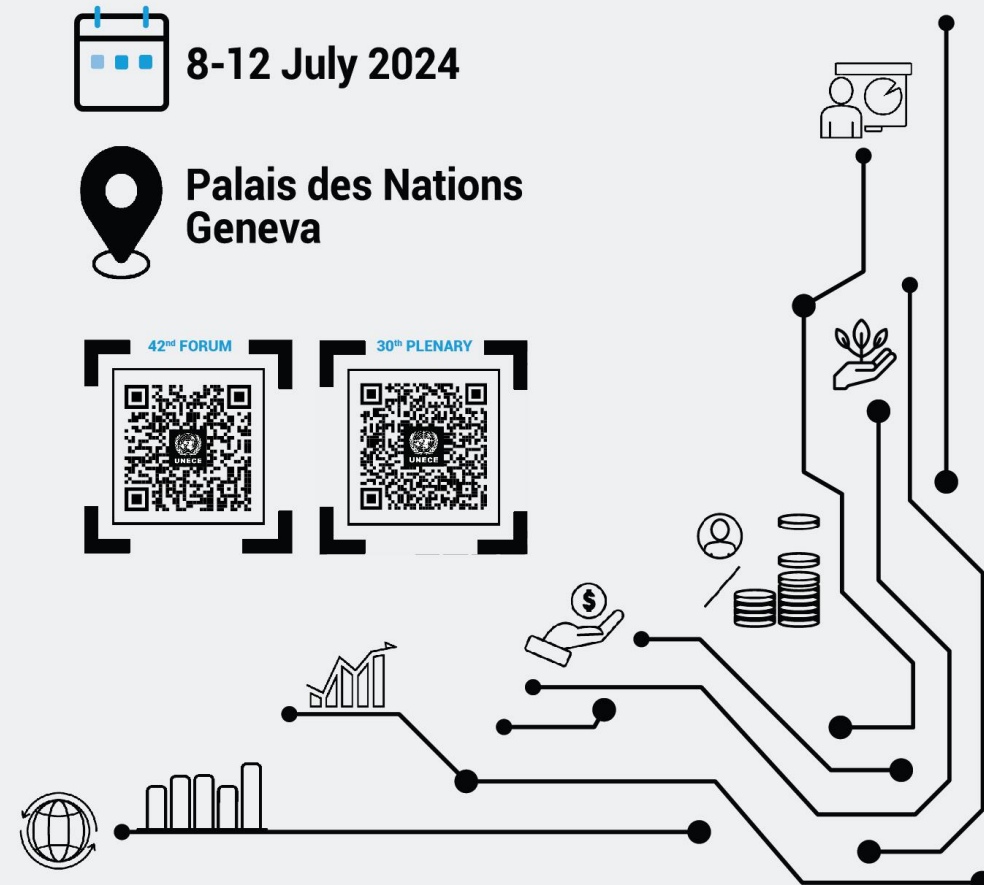


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Finance & Payment domain session
Geneva, 10 July 2024

**Open and Trade Finance for Helping Companies to
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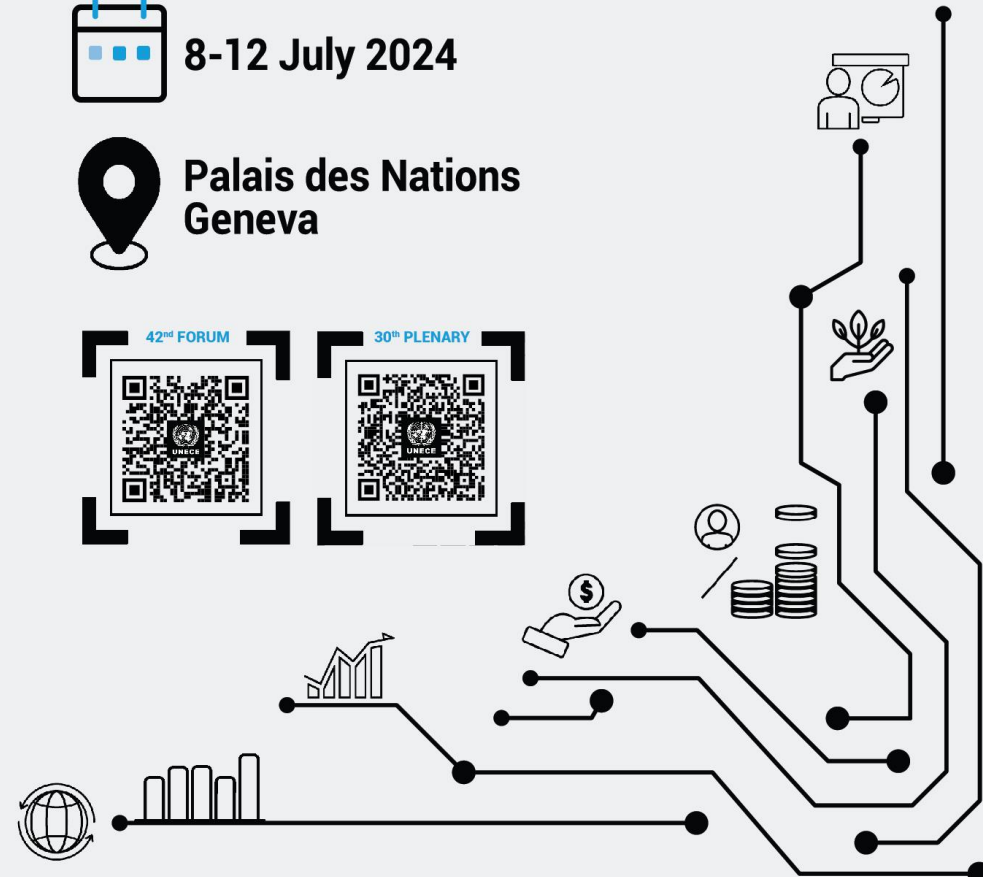
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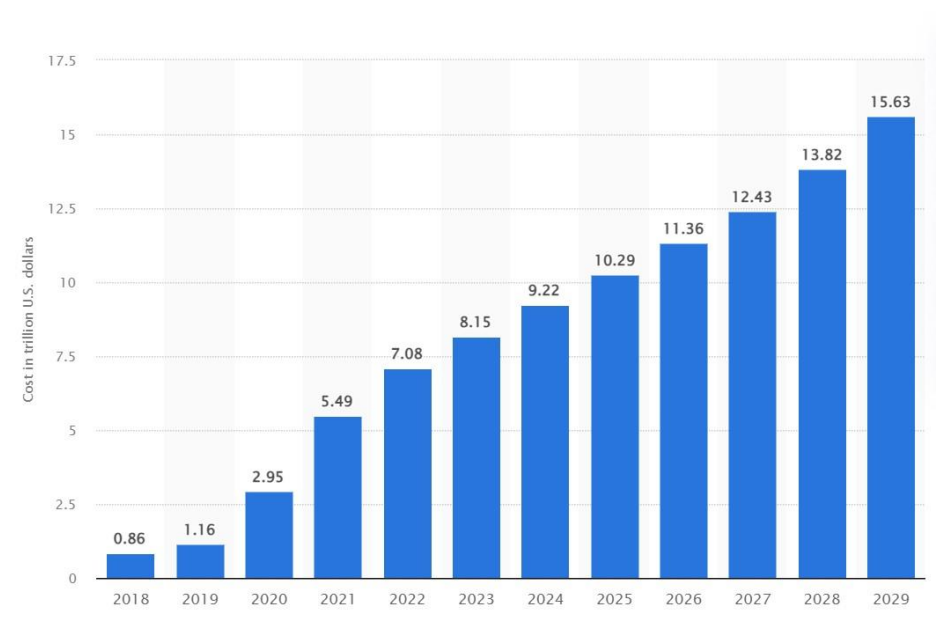
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Cybercrime and International trade

International trade is changing as a result of technological innovation and the digital approach that consumers and organizations use data flows globally for e-commerce, payments, communication, and information access.

Cybercrime refers to a wide range of illegal and fraudulent activities and represents a **severe threat to international trade**.



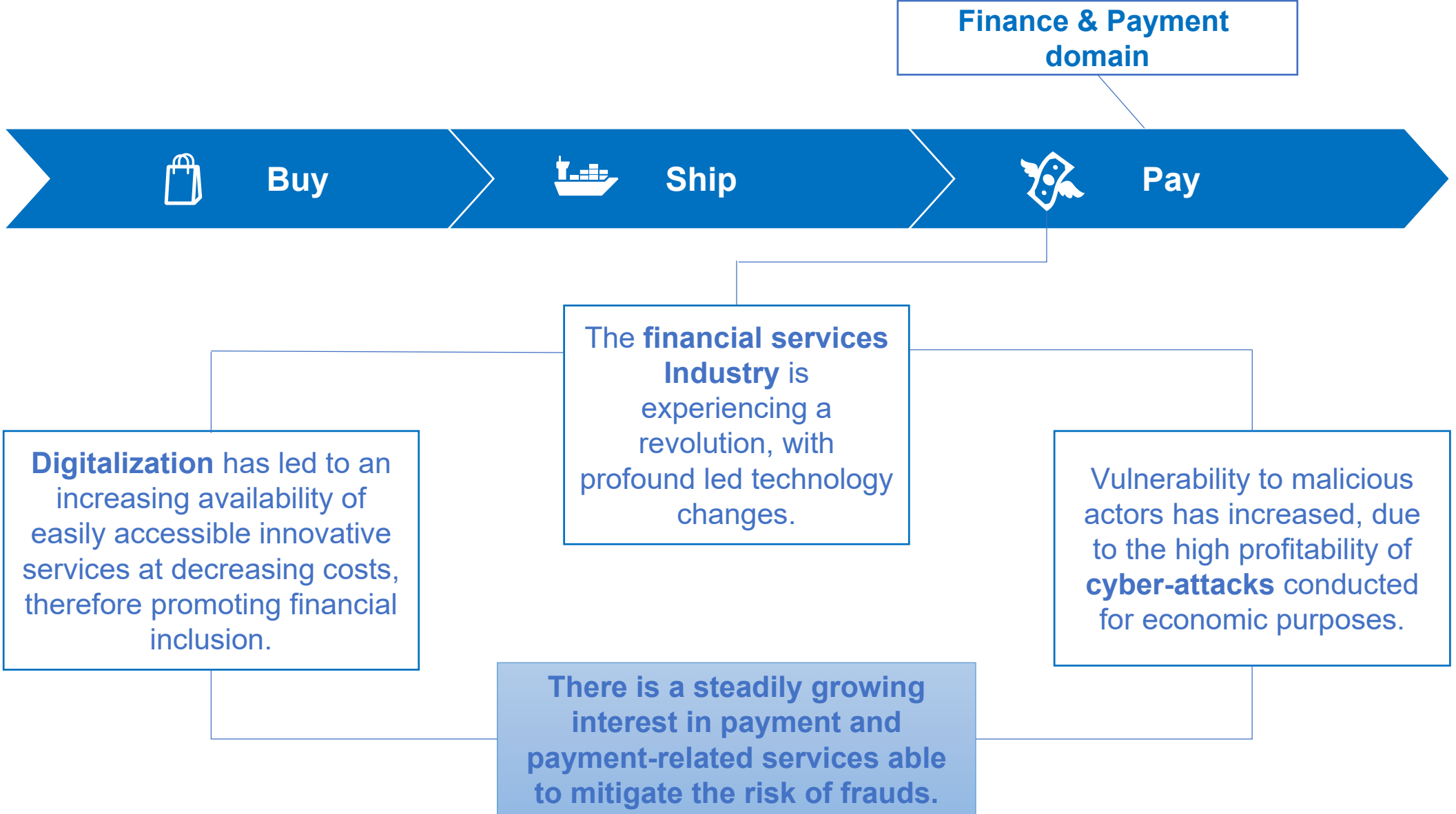
The global indicator 'Estimated Cost of Cybercrime' in the cybersecurity market was forecast to continuously increase between 2024 and 2029 by in total 6.4 trillion U.S. dollars (+69.41 percent).

After the eleventh consecutive increasing year, the indicator is estimated to reach 15.63 trillion U.S. dollars and therefore a new peak in 2029.

Source: Statista.com

Emerging technologies and innovation in financial services could **exacerbate cyber risks**, helping to improve the detection and prevention of frauds within the international supply chain.

Fraud risk in the financial industry




Responding to the risk of frauds

Within the financial international community there is a steadily growing interest in **anti-fraud services**

Focus

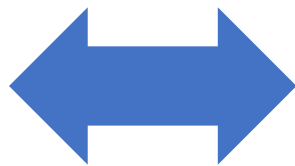
EU Regulators




Instant Payments Regulation

Payment Service Regulation proposal

Require the payee's PSPs to verify the consistency between the name and unique identifier of a payee before the initiation of credit transfers.




Market



vLEI




Check IBAN

Verification of Payee



Proprietary solutions

Antifraud use cases

Service	Description
 <p>Check IBAN cross border</p>	<p>Online verification at cross-border level between an IBAN/BBAN code and the fiscal code/VAT number of a final user</p>
 <p>Name Check (Verification of Payee)</p>	<p>Real-time verification of the correct association between the account holder's call sign/name and its IBAN/BBAN code</p>
 <p>Safe Trade</p>	<p>Database that collects information on invoice financing from a multi-bank and multi-channel perspective in order to retrieve information aimed at improving the efficiency of credit disbursement processes</p>

The success of these services is linked to the existence of **collaborative initiatives** that ensure their full interoperability.






In Europe, these services are already developed and offered to the market by CBI (www.cbi-org.eu)

Looking to sustainability

Antifraud services directly and indirectly contribute to the achievement of a number of **UN Sustainable Development Goals** by providing:



<p>Cost savings Efficiency Financial inclusion</p>	<p>Target 8.10 - Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
<p>Reduced environmental impact of financial services</p>	<p>Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse Target 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
<p>Innovation throughout a collaborative ecosystem</p>	<p>Target 17.6 - Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p> 

Thank you!



Liliana Fratini Passi
Vice Chair, UN/CEFACT
Managing Director, CBI

Date: 10 | 07 | 2024



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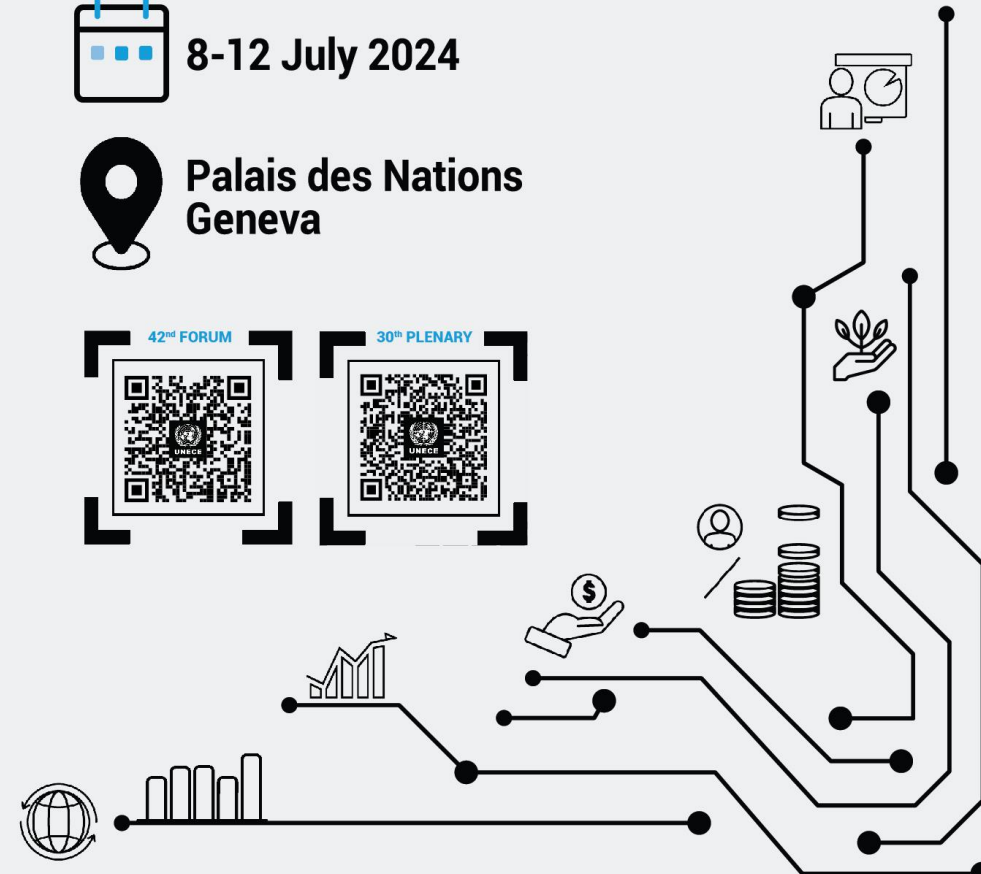


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Check IBAN Open finance use case

PROJECT PURPOSE:

Develop an information exchange standard for the Check IBAN open finance use case, to enhance cybersecurity and fraud detection measures within electronic business and international trade.

CHECK IBAN SERVICE:

Immediate verification of the correct association between a given IBAN code and a certain Tax Code/VAT number (natural person or legal entity).

DELIVERABLES:

- **Business Requirement Specification (Today's item of discussion)**
- Optional: NDR (Naming and Design Rules); RSM (Requirements Specification Mapping)

NEXT STEPS:

- Approval of the BRS draft
- Public Draft Review
- Project exit
- Publication

