



ITFA SHIFTS GEAR TO ADDRESS GLOBAL MARKET AMBITIONS By Andre Casterman, Chair Of ITFA Fintech Committee; CMO At INTIX And NED At Tradeteq

Following an initial educational phase of 2 years, the ITFA Fintech Committee is shifting gear with two strategic initiatives that tackle industry-wide ambitions. By facilitating collaboration amongst multiple fintechs and contributing through its expertise in defining new market practices, the ITFA Board demonstrates again it is best positioned to deliver more value to its core membership.

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By André Casterman, Board Member and Chair of Fintech Committee, ITFA; CMO at INTIX and NED at Tradeteq

The ITFA fintechs – strong partners for the ITFA core membership

Since 2017, a multitude of fintechs demonstrated their willingness and ability to **help incumbent financial institutions address most-pressing needs in trade finance**. To date, a total of 22 fintechs joined ITFA as pictured below:

ITFA fintechs

A total of 22 fintechs joined the ITFA since mid 2017





Those 20+ fintechs – as well as additional ones – provide a growing set of value propositions to the ITFA member banks in order (1) to improve user experience and (2) to address the global trade finance need.

The two key opportunities for trade banks and their institutional partners



Whilst regulatory requirements (KYC, AML, CCF & CRR) and de-risking had unintended consequences on trade financing (mainly on mid-caps and SMEs), the **global trade financing need** represents a **huge business opportunity** for trade originators (established and new entrants) and institutional funders. Also, technology is now globally accepted as the **key enabler for differentiation** as **client expectations** around usability, on-demand transaction-level services, real-time processing and analytical insights keep on increasing.

Legend

Know Your Customer
Anti-Money Laundering
Credit Conversion Factor
Capital Requirements Regulation

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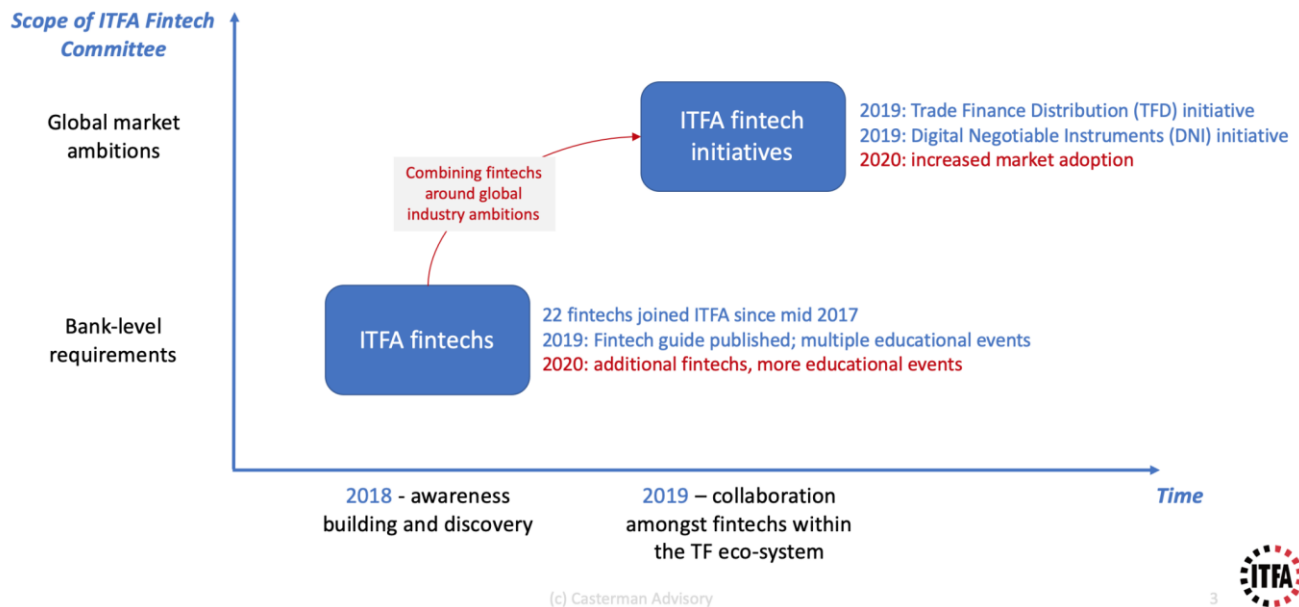
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ITFA shifts the fintech gear to address global market ambitions

During 2019, the ITFA Fintech Committee expanded its activities beyond the initial educational activities. The committee established technology-centric collaboration initiatives to accelerate adoption of infrastructure-level value propositions in both primary and secondary trade spaces. ITFA's recognised role as convenor and its established ability in legal and regulatory matters, community-building and lobbying position the 300-member strong association as the ideal forum to forward such developments.



The ITFA Fintech Committee shifts gear to address global market ambitions

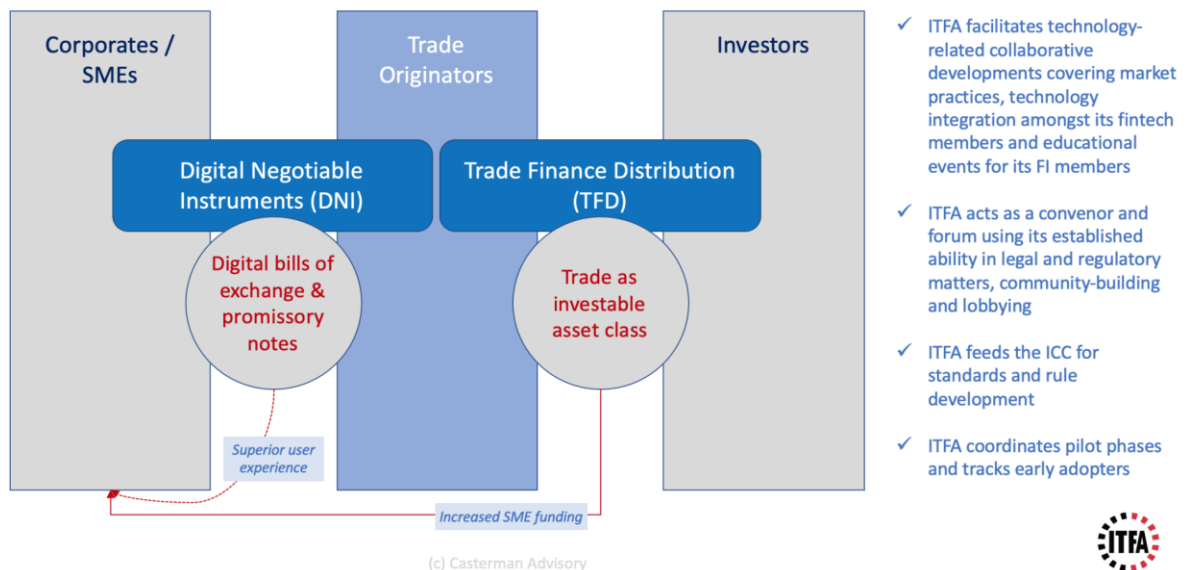


Given the high degree of specialisation of its 20+ fintech members, ITFA also identified the need to facilitate collaboration amongst those. As an example, when machine learning algorithms need to be fed with transaction data captured from banks' internal systems, ITFA fintech member **INTIX** is best combined with ITFA fintech member **Tradeteq** for transaction-level credit scoring, with **Coriolis** for macro-level business development insights and with **Traydstream** for document trade flow processing. Check out the [INTIX Insight of April 2019](#) for more details.

As a consequence, ITFA has established the following two initiatives: the Digital Negotiable Instruments (DNI) initiative and the Trade Finance Distribution (TFD) initiative.



Both ITFA initiatives are driven by key market ambitions

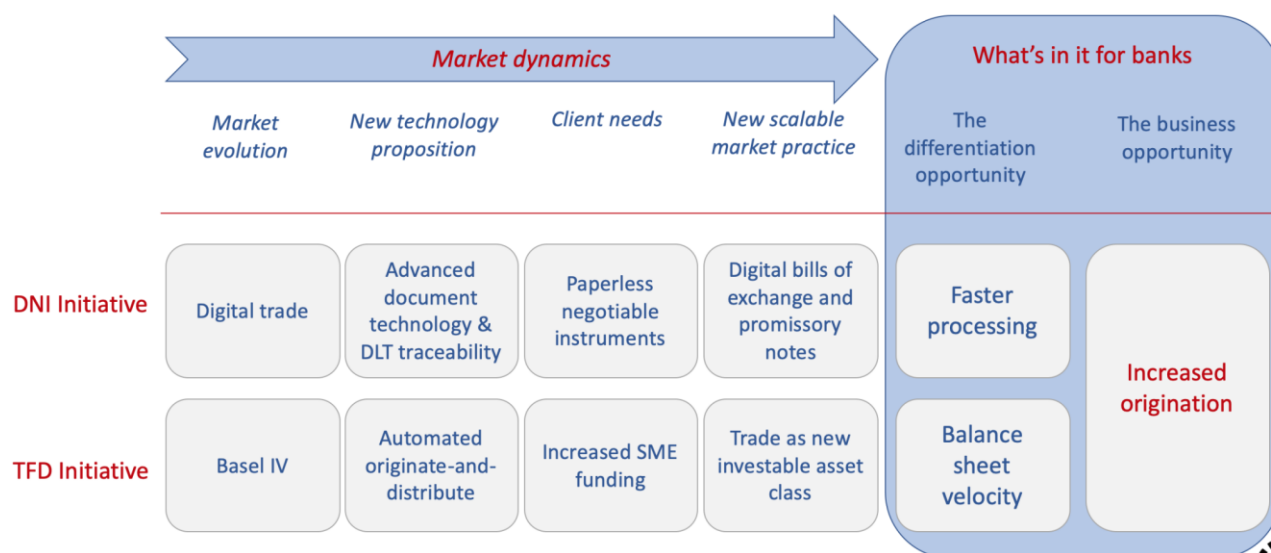


Whilst the first one concentrates on increased document digitisation in the primary space, the second one aims to grow institutional funding in the distribution space. As outlined on below chart, both initiatives are helping incumbent financial institutions – as well as new entrants – increase origination capacity (e.g., with increased balance sheet velocity) and service levels (e.g., with improved user experience) towards their corporate, mid-cap and SME clients.

Both initiatives serve the interests of the core ITFA membership as they address global industry needs such as (1) digitising negotiable instruments such as the bill of exchange and promissory note and (2) increasing institutional access to and understanding of the trade asset class. In both cases, the business opportunity for the core ITFA membership is to increase origination.



The ITFA fintech initiatives help banks position themselves for the future



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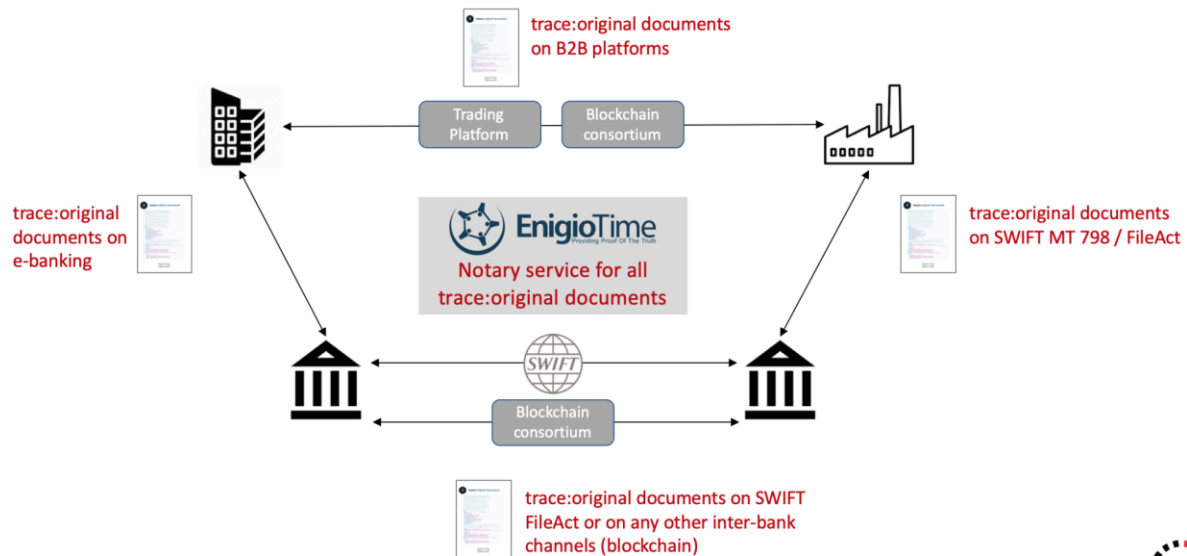


The Digital Negotiable Instruments Initiative

The **DNI Initiative** leverages an advanced DLT-based document technology solution that integrates seamlessly with existing and emerging channels. It is designed to be compatible with new buyer- and/or seller-centric brokerage platforms, pricing discovery platforms and blockchain infrastructures.



DNI Initiative – integration with existing processes and channels



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The DNI Initiative is attracting complementary technology players as depicted below and more will join in the coming months.

DNI Initiative – collaboration amongst fintechs



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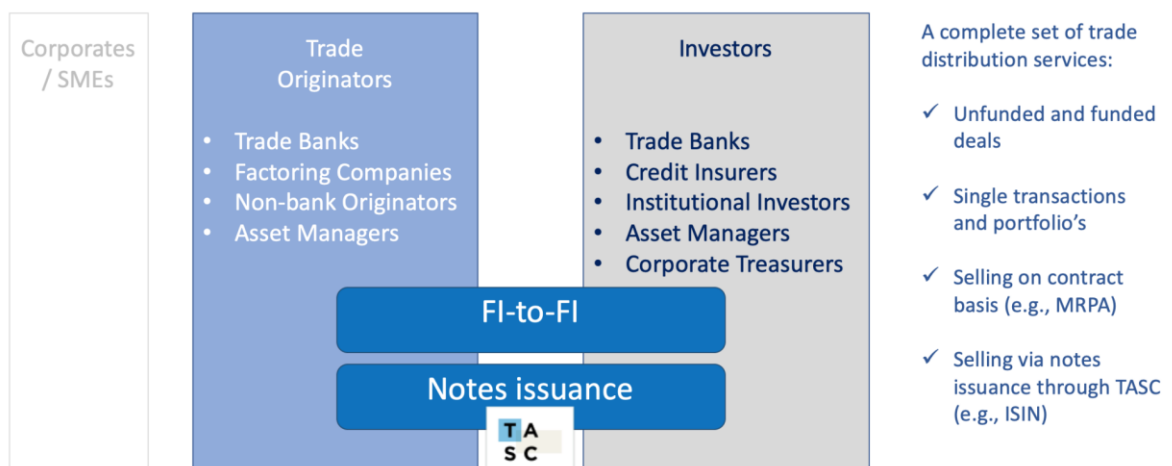




The Trade Finance Distribution Initiative

The **TFD Initiative** aims to establish Trade Finance as a new investable asset class for institutional investors. It enables bank- and non-bank originators to connect, interact and transact with bank- and non-bank funders such as capital market institutions.

TFD Initiative – addressing all trade distribution requirements



TFD initiative

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The TFD Initiative is attracting complementary technology players as depicted below and more will be added in the coming months:



TFD Initiative – collaboration amongst fintechs



TFD initiative

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The TFD Initiative is attracting a growing community of originators, funders and complementary fintechs as outlined below:



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International Trade
and Forfaiting Association

itfa.org
info@itfa.org

More info

Contact us for a complete deck on on-going pilot phases and participants, as well as early adopters. Contact [andre.casterman AT icloud.com](mailto:andre.casterman@icloud.com) for more information or contact [any member of the fintech committee](#).