



## "Collaboration at its best" - how our strategic trade finance market initiatives put it to work, Nov 2021

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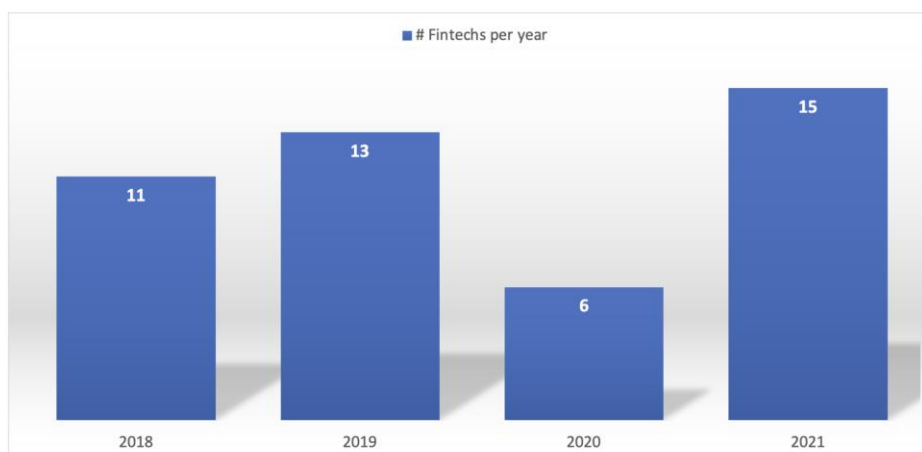
A total of 200+ ITFA members flocked to Bristol on Wednesday October 6th to attend the ITFA Annual Conference which started with a half-day Fintech briefing. This was our 3rd edition that we organised following a good start in Cape Town (2018) and a 2nd one in Budapest (2019).

Many fintechs knocked on my door as they wanted to showcase their product to our FI membership during this pre-conference seminar. However, this half-day briefing was not meant to be a product roadshow, but rather an opportunity for our membership to catch up on the progress achieved - as a community - on our strategic fintech market initiatives. This year, we had much to report on both DNI Initiative and TFD Initiative.

We started with an update on the Fintech Committee itself which has grown substantially during the pandemic and which has become the largest community of technology providers:

- The Fintech Committee comprises a total of 45 fintech-oriented companies
- Most are solution providers whilst others deliver technology integration and advisory services
- 2021 has been our best year ever with 15 new joiners
- Fintech members are based in UK (13) and also in the US (7), Singapore (5), France (3), Sweden (2), ...

Fintech Committee: the largest community of technology firms active in trade finance



Country	Count of Fintech
GB	13
US	7
SG	5
FR	3
SE	2
IE	2
DE	2
CH	2
BE	2
CA	1
UA	1
EE	1
LU	1
IL	1
SA	1
HK	1
Grand Total	45

<https://itfa.org/about-us/functions/fintech-committee/>



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“**Collaboration at its best**” was the theme of the whole briefing as we aimed to demonstrate how advanced value propositions are now being delivered by combining new technologies with established ones.

We started with the **DNI Initiative** which has become the most specialised community of technology providers supporting MLETR-compatible laws and trade instruments.



- The DNI Initiative offers the only technology that caters for fully interoperable documents, i.e., documents or instruments are handled as independent digital assets with no dependency on the technology platform that facilitate their creation
- The DNI Initiative produced the dDOC specifications which describe the way for a digital document technology to deliver such capability
- More and more countries are adopting or aligning with MLETR as per below chart; it has become a priority on the G7 agenda
- The DNI Initiative has been endorsed by ICC DSI in Q2 2021 as the one able to support the global roll-out of MLETR
- More vendors are signing up to the DNI Initiative such as Cleareye.ai – they recognize the strategic importance of being able to process interoperable documents
- A sandbox is available for ITFA members interested in practicing the use of interoperable original documents
- We are in talks with the European Commission to secure support of MLETR as part of eIDAS
- On stage in Bristol, China Systems and Finastra demonstrated how they both integrate Enigio's trace:original document technology as part of the DNI Initiative. The session demonstrated that interoperability is not about being connected to the same channel or platform – thanks to Enigio's trace:original, interoperability is now being delivered at the level of the document (e.g., a bill of exchange) or data set (e.g., a digital asset).



- What to expect: additional technology firms are joining the DNI Initiative, as well as corporates and originators.

We continued with the **TFD Initiative** which has become the largest business community of trade originators, funding platforms, credit insurers, institutional investors and service providers committed to increasing the level of automation, accessibility and transparency in trade asset and risk distribution through technology-based market practices.

- A total of [53 institutions joined and contribute to the TFD Initiative](#), many of which have started to take advantage of the TFD Initiative technology stack
- The TFD Initiative has demonstrated how technology partnerships can make a difference to grow the trade distribution market
- The TFD Initiative has delivered the most comprehensive set of mechanisms to address the needs of any type of seller and buyer active in the distribution space
- The TFD Initiative provides a technology stack comprising a set of technology providers such as Tradeteq and XDC Network; additional providers can provide further technology options such as Intix and Coriolis Technologies
- Any type of originator acting as seller – banks, factors and platforms – can take advantage of the TFD Initiative technology stack to sell trade transactions
- Any type of investor acting as buyer such as a credit insurance, institutional investor or bank can tap into this emerging investment class via TFD Initiative
- On stage in Bristol, Tradeteq, XDC Network and Accelerated Payments demonstrated how the TFD Initiative technology stack – including [XDC Network since August 2021](#) – enables to bring new types of investors by tokenizing trade portfolios. There is a massive opportunity to bridge the trade finance banking market with the asset management space, and also [with the retail space](#)
- The first live tokenisation transaction took place in September involving both Tradeteq and XDC Network. It aimed at enabling Accelerated Payments acting as originator to extend liquidity to its own clients. See press announcement in [TMI](#).
- What to expect: additional banks and investors are joining TFD Initiative. Additional tokenisation transactions will see the light before the end of 2021 with Accelerated Payments and another SME working capital platform.



## TFD initiative

The **largest business community** of trade originators, funding platforms, credit insurers, institutional funders and service providers committed to increasing the level of automation, accessibility and transparency in trade asset and risk distribution through technology-based market practices

Helping originators adopt the  
originate-and-distribute model

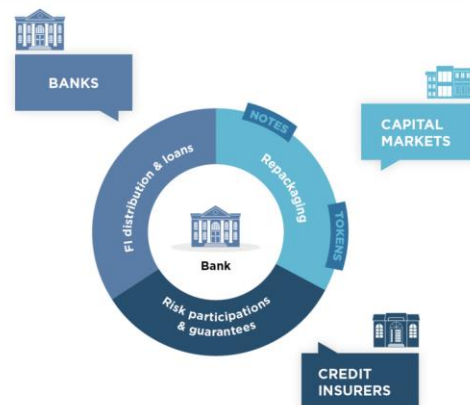
Delivering the most complete  
technology stack for trade distribution



<https://www.tradefinancedistribution.com/>



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Other important technology themes were covered during the fintech morning briefing and further debated during the whole conference. They focused on automated document checking as well as the use of “open banking” practices by trade eco-systems (e.g., bill of lading and SCF platforms).

Key insights included:

- Automated document checking has become a very attractive value proposition for banks as it enhances back-office operations. It can be implemented by an originator independently of its counterparties (clients and FI's)
- There is no need to standardise trade origination flows when wishing to automate document checking – text recognition technology now handled unstructured data and both Traydstream and Lloyds Bank explained this extensively
- Ecosystems have not yet become inter-operable despite use of blockchain technology, APIs and structured data sets. Key question: are they really aiming to interoperate? I doubt. Each platform acts as a “digital island” and most are not motivated to open up to interoperable documents. It will be interesting to discover the ones that will join the DNI Initiative in order to interoperate at document level, rather than at platform level.
- Institutional investors are gearing up to partner with originators; Pemberton AM, Allianz Global Investors, NN Investment Partners and Santander Asset Management demonstrated how the trade distribution space is attracting new institutional liquidity.

Additional sessions related to fintech members took place during the whole conference and focused on policy developments (e.g., interoperable bills of lading, electronic bills of exchange). The below chart provides the list of institutions who were involved in fintech related sessions in Bristol. We thank them all for their active involvement.



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