



## Market Practice Committee

**Board Member:** Paul Coles

**Objective:** The aim of the Market Practice Committee is to assess issues and new developments that may impact our industry, help navigate the regulatory landscape, support the development of standardised documentation, publish guides and white papers on matters that are open to interpretation and provide industry input from practitioners into working groups led by other associations.

### Key achievements to date:

- Commissioning Legal Opinions on a bi-annual basis for the BAFT MPAs, ensuring that ITFA and BAFT members can achieve capital relief when distributing assets through the use of the MPAs
- Publication of the “Uniform Rules for Forfaiting (URF800)” in collaboration with the ICC (2013)
- Set up an initial workshop with Moodys and leading banks providing Supply Chain Finance following the failure of Abengoa, and subsequently published the “Payables Finance Guide (what can we learn from the Abengoa and Carillion experiences?)” (2018)
- Initiated the request to update the BAFT Master Participation Agreements, and fed market input from ITFA members into the working group that led to the publication of the 2018 English law and 2019 New York law industry standard forms (2018/2019)
- Publication of the “Guide to Accounting and Legal Issues under IFRS 9 for the trade receivables and supply chain finance industry” (2019), providing specific insights into the accounting treatments that are relevant to the secondary market for trade finance
- Publication of the “ITFA Guide to Structured Letters of Credit” (2021), enhancing the understanding of these instruments and any issues to consider
- Published guidance notes on LIBOR demise in the context of the trade finance market, advocated the need for term rates (rather than solely overnight rates) and ensured updates were made to the BAFT MPA wording to reflect the demise of LIBOR (2021/2022)
- Publication of the “Trade Finance Taxonomy” (2022), providing a single point of reference for the entire trade finance ecosystem
- Publication of the “Uniform Rules for Transferable Electronic Payment Obligations (URTEPO)” (2022), providing a robust framework within which the industry can operate
- Publication of the ITFA NDA (Mutual Non-Disclosure Agreement for risk sharing in trade transactions – English law) and accompanying guidance notes (2022), facilitating frequent two-way transactional information sharing that is typical in the secondary market for trade finance
- Publication of updated Bail-In Recognition wording following Brexit (2023)
- New initiatives for 2023: publication of Open Account Master Participation Agreement, publication of Short Form SWIFT Trade Loan



**Recent highlights (2021/22):**

- See above

**Key publications:**

- Uniform Rules for Forfaiting (URF800)
- Uniform Rules for Transferable Electronic Payment Obligations (URTEPO)
- Trade Finance Taxonomy
- ITFA NDA (Mutual Non-Disclosure Agreement for risk sharing in trade transactions – English law)
- Guide to Accounting and Legal Issues under IFRS 9 for the trade receivables and supply chain finance industry
- Payables Finance Guide (what can we learn from the Abengoa and Carillion experiences?)
- ITFA Guide to Structured Letters of Credit

**Working groups:**

- Compliance working group (under construction)
- Regulatory Advisory Group (under construction)
- Short Form SWIFT Trade Loan form (under construction)