



# FINTECH COMMITTEE’S 2024 PRIORITIES WILL DELIVER NEW LEADERS IN DIGITAL TRADE INNOVATIONS

Written by **Andre Casterman**, ITFA Board Member and Chair of Fintech Committee, published on LinkedIn 27<sup>th</sup> November 2023

Following our laser focus on strategic industry-wide ambitions since 2018, the ITFA Fintech Committee has grown to support a network of 70+ fintech members and has delivered dozens of early adopters involving top10 financial institutions and asset managers.

In agreement with our most active early adopters, we upgraded our level of ambition for 2024 in order to fulfil our mission which is "to establish new *tradetech* market practices to create a better global trade system".

Since the ideation phase of H2 2017, the Fintech Committee has succeeded to attract the most innovative legal, business and technology experts whom we gather to develop guidance on key market developments, and to deliver early adopters who together define the most advanced *tradetech* market practices as proof points for the industry.

## The Fintech Committee establishes new *tradetech* market practices





Whilst many technology innovations have been successfully implemented by originating banks in trade finance, most of those have been carried out at institution level. The industry has however faced major obstacles when it comes to delivering tangible results on the collaborative side, i.e., innovations that require multiple parties to align and transact together through use of collaborative technologies. Most bank consortia and some private ventures have fallen short of expectations and went bust between 2019 and 2023.

By engaging with highly specialised ITFA fintech members, we have been able to deliver tangible proof points on both policy and technology innovations. The next challenge really is about scaling use of those new *tradetech* market practices and continue upgrading them so they deliver more value and grow in usage. Such will our focus in 2024.

The Fintech Committee prioritises market-wide and collaborative innovations

The single largest fintech community in global trade and supply chain financing

Two collaborative communities supporting strategic market ambitions

Four expert working groups providing guidance on emerging market practices

*“Scaling digital trade, thereby contributing to financial inclusion and closing the multi-trillion trade finance gap”*



To advocate for UNCITRAL MLETR to policy makers and demonstrate how the use of interoperable negotiable instruments across banking and logistics helps originators scale SME financing.

- DNI Commercialisation Opportunities Working Group
- Duplicate Financing Fraud Prevention Working Group
- Middle East Tradetech Adoption Group

**TFD initiative**

To demonstrate to capital markets how trade financing, open account financing and direct lending have become investible and attractive investment classes, thereby enabling originators to adopt originate-and-distribute market practices.

- ITFA Trade Finance Investment Ecosystem (ITFIE) to facilitate institutional investors role in trade distribution



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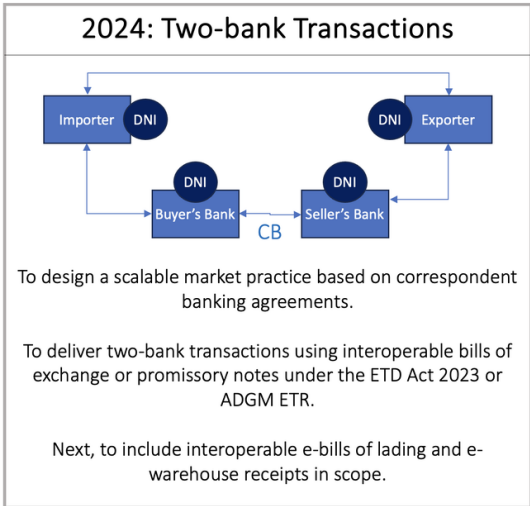
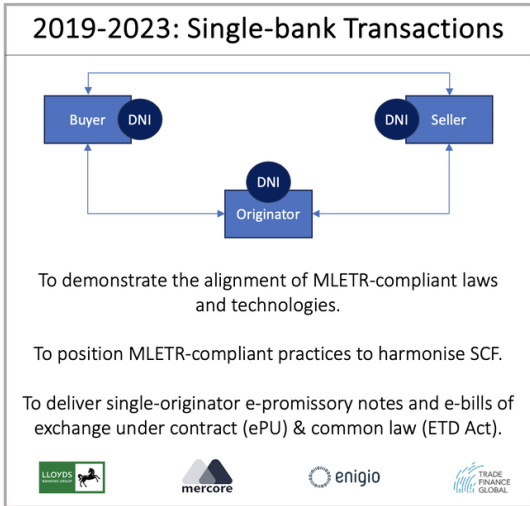


*“A new idea must not be judged by its immediate results”, said Nikola Tesla about a decade ago.*



On the DNI Initiative front, the initial 2022 and 2023 transactions produced by banks and alternative lenders are being embraced by additional originators whilst in parallel, some such as Lloyds Bank want to engage in two-bank DNI transactions.

**DNI** The DNI Initiative Priorities



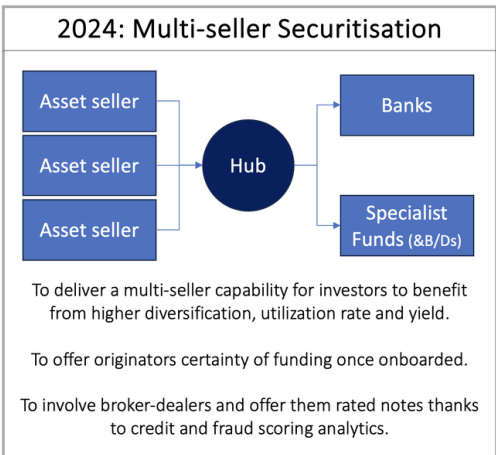
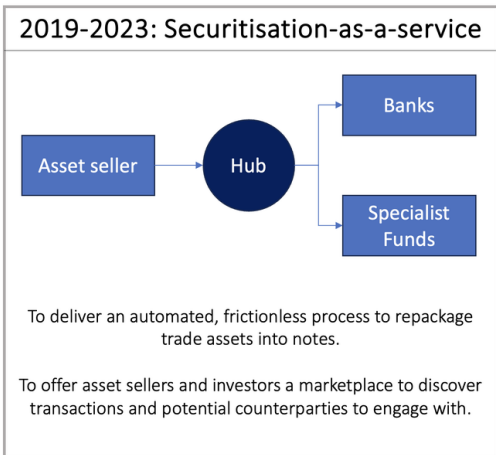
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On the TFD Initiative front, the SaaS based securitisation-as-a-service which was rolled out in 2019 has been implemented by several pairs of asset sellers and investors so far. In 2024, this *tradetech* practice will be extended to a multi-seller capability so investors can benefit from higher diversification, utilisation rate and yield. Scope will include the involvement of broker-dealers so we can source liquidity from additional institutional investors (e.g., those with no expertise in the trade investment class).

**TFD initiative** The TFD Initiative Priorities



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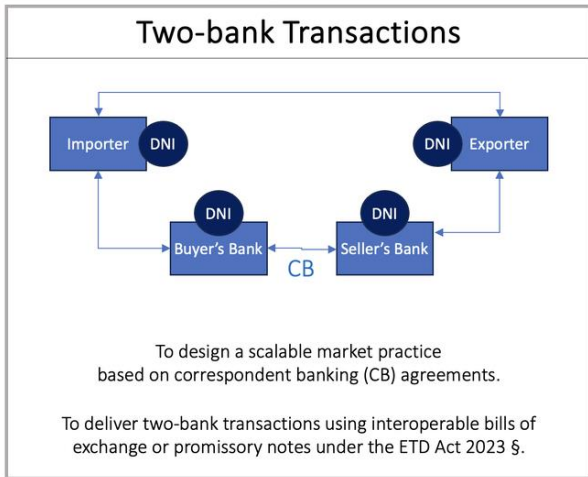
### Engage

Reach out to André Casterman, Board Member and Chair of Fintech Committee at ITFA to engage in the Fintech activities and initiatives and to contribute to its outcomes. We will deliver numerous early adopters in 2024 and those will become role models for the industry to follow. A full deck is available on request.

Here is the recap of our 2024 priorities and the most advanced *tradetech* practices supporting the originate-and-distribute model:

## Fintech Committee – Originate-and-Distribute 2024 priorities

DNI



TFD initiative

