TOP HIGHLIGHTS FROM ITFA'S ANNUAL NERC SUMMER EVENT, July 2025

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As another heatwave gripped London, ITFA's members were eager to find respite in the cool offices of the law firm A&O Shearman on 9 July to listen to their peers present on topics from environmental legislation, trade documentation and the impact of tariffs on global trade at the annual Northern European Regional Committee (NERC) event. Once the seminars concluded, delegates tipped out onto the law firm's sun-drenched roof terrace overlooking the City of London to enjoy drinks with colleagues and friends.

For those of you unable to attend – or just looking for a refresher on the afternoon's events – here are the top highlights taken from the panel discussions and presentations.

1) Going behind the scenes of the Swift FI trade loan document working group

The story behind ITFA's new SWIFT short-term FI trade loan template kicked off the summer event, with delegates listening to the perspectives of working group members who supported the creation of the new document. The panel was chaired by market practice committee (MPC) chair and ITFA board member Paul Coles.

Many ITFA members are now fairly familiar with the new template since its launch in April, and indeed, an impromptu survey taken mid-discussion revealed that there were a few delegates in the room already using the template when negotiating short-term trade loans between financial institutions.

The template was developed by a working group within ITFA's market practice committee (MPC), working from a base document provided by FCMB (UK). It was drafted by Geoffrey Wynne, partner at law firm Sullivan & Worcester, taking into account all the feedback given by the working group.

It covers short-term trade loans – documented via SWIFT MT 799 free-form messages – transacted between banks and FIs. It is the first time there has been a form of industry guidance on how to document such transactions.

Panellists said that being part of the working group was a valuable way to have conversations with people outside of your institution as well as develop something really useful for the industry.

"Anything that can be done to simplify or streamline processes and free up resources would be helpful. It was also a great opportunity to find out what other people are doing and get your head together with different institutions," said panellist Cheryl Enayati, senior legal counsel at Itau BBA International.

All members of the working group took part in regular calls to debate and discuss what should be included in the document – and what should be cut from the document – with everyone eager to produce a document that was as short as feasibly possible while covering the essentials.

Panellist Fenny Sukimto, vice-president, trade finance syndications, trade and working capital at Barclays Bank, remarked how long some documents used by banks can become.

"There's no right or wrong way to document. It depends on each institution and what they are comfortable with. But I have seen one or two-page SWIFT documents up to 30-page ones," she said.

Panellist Cameron Stanton, associate director, core trade, transaction banking product at Lloyds Bank, said that as a lender it was useful to hear the perspectives of the borrowing banks and what they wanted included in the documentation.

"One of the main benefits was having both lenders and borrowers involved. We approached this from a lender's perspective. When you are negotiating the document, we are usually doing it with one bank at a time, and it can be difficult to understand why something is being asked to be removed from the document and why that might be a deal breaker from a borrower perspective. It also gave opportunity to emphasis what our red lines are from a lender perspective," he explained.

Coles added how he tried to distil all the varying perspectives expressed in the working group calls by sending out "bite-sized surveys" after each call to consolidate feedback.

Participants eagerly encouraged their peers to get involved with any future ITFA working groups. According to Sukimto, it was a "very rewarding journey. You get to hear from directly from practitioners in focused environment and you do see the benefits of it. It is a useful way to inspire the next generation and shape the standards the industry will follow in the future".

"I found it eye-opening from getting input from other institutions. Do get involved if you can," said Cheryl Enayati.

2) How Trump's tariffs will lead to US stagflation while Asian exports divert to Europe

Donald Trump's tariffs on Asian imports will not have an overly negative impact on Asia's economies and will more likely lead to domestic US stagflation, according to Nishant Kumar, the UK geographic lead at Swiss Re, speaking at ITFA's July event.

The resilience of the Asian economies despite tariffs was one of the overriding messages from Kumar's presentation. He referred to the US president's universal tariff of 10 percent on all imports as a "double-edged sword", in that "in the near term it does boost revenue, but long term it does compress US growth".

Kumar's presentation outlined the various tariffs that Trump is imposing on specific countries and sectors, noting that given the lack of major retaliation from Asia or within the EU, the tariffs would have a "disinflationary" impact on global economies.

China's exports would most likely be diverted to markets elsewhere including within the EU, and combined with lack of demand from the US, the country's export prices will go down, he said.

Overall, looking at key economic indicators, such as Asian bond yields and Asian stock market performance, Asia is and will weather the impact of Trump's policies.

"The bond yields of most Asian economies are probably for the first time much less than US economy. This is quite a good sign for Asia's economy. Low inflation and low deficits will probably lead to higher growth," he said.

In contrast, "The US economy will slow down and there will be lower capex and investment in the economy compared to last year. Asia is not that impacted as we expected," he noted.

Kumar's key takeaways were:

- ***The US will likely face stagflation, meaning inflation with low growth***
- ***There will be a disinflationary impact on Europe and Asia, with consumer prices falling***
- ***The Fed will likely cut rates in the second half of this year***
- ***Geopolitical tensions in the Middle East and elsewhere will continue to wield strong influence over global economies***

3) How to stay ahead of the latest sustainability regulation and its impact on supply chains

Keeping on top of the vast array of sustainability regulation is an essential – if not challenging – requirement for banks and corporates working in the world of supply chains and supply chain finance, according to panellists on the final session of the afternoon. The panel on 'international developments on supply chain regulation' was chaired by Arpana Amin, global head of supply chain finance at HSBC.

"The conversations we have with our clients is really around internal governance – how do we keep on top of these regulations," said one of the panellists, noting how confusing it can be with some rules being mandatory in some regions, whereas there will be guidelines or voluntary frameworks applicable in other geographies.

The panellists gave ITFA delegates an overview of some of the major legislation already implemented or due to be implemented. This included the EU's corporate sustainability and due diligence directive (CSDDD) that came into force last year which introduces mandatory environmental due diligence and human rights obligations for large EU and non-EU companies operating with the EU. The regulation does not just govern the corporates' own operations but is applicable across a company's entire global supply chain.

The panellists also covered the International Sustainability Standards Board (ISSB) launched in 2021 as well as new EU regulatory obligations around deforestation, forced labour and conflict minerals with supply chains – which aim to ensure any product placed on the EU market is sustainably sourced.

With such a fragmented and patchwork bundle of global regulations, companies need to be flexible and adapt to sudden changes in their supplier network. They will need to be able to swiftly pivot away from suppliers if a supplier is suddenly subject to new regulation, panellists said.

It was also noted, however, that the regulatory ground is always shifting – with some signs of a pushback against environmental, social and governance (ESG) regulations, particularly in the US under the presidency of Donald Trump and with recent moves to simplify new EU regulation.