



Digitising Trade Finance using ISO 20022

*Facilitating multi-banking in supply chain finance
to mitigate payment risks and enable financing
opportunities using ISO 20022 standards and the BPO*

SWIFT's Corporate and Supply Chain
Market Management team

supplychain@swift.com

Adoption of ISO 20022 for BPO in Trade Finance

55+

Corporate relationships live on BPO

18 / 20

18 of the top20 trade banks (*) are reachable on TSU to process BPOs

19

Banking groups live on BPO / TSU

68%

68% of the top50 trade banks (*) are reachable on TSU to process BPOs

21

Banking groups testing BPO on TSU

80

Banking groups reachable on TSU

50

Countries reachable on TSU

189

Banks (BIC8) reachable on TSU

(*) ranking based on Cat 7 traffic



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ISO 20022 for BPO brings value in various industries

Chemicals



General Retailers
Personal Goods



Mining



Technology Hardware &
Equipment



Automobiles & Parts



Food Producers



19 banking groups live on ISO 20022 for the BPO

Including 6 of the top15 trade banks ()*



Bank of Tokyo-Mitsubishi UFJ



中國銀行
BANK OF CHINA



Standard Chartered Bank helps Al Sayer Group (KW) adopt SWIFT's digital trade solution (BPO)

Standard Chartered Bank has successfully completed the first Bank Payment Obligation (BPO) transaction in the automotive industry for Mohammed Naser Al-Sayer and Sons, one of the largest automotive dealers in the Middle East. The transaction facilitated a shipment of vehicles from Japan to Kuwait.

Sibos 2015



Left to right: Marco Attilio, SWIFT; Michael Vrontamitis, Standard Chartered Bank; Tony Dina, Al Sayer Group; André Casterman, SWIFT; Christopher Wee, Standard Chartered Bank.



BPO wins Payment Awards 2015



B2B Payments Innovation of the Year

The winning submission looked at SWIFT's work with the International Chamber of Commerce (ICC) in creating a new trade settlement instrument known as Bank Payment Obligation (BPO), and how SWIFT's team and technology drove global adoption of the new payment option in 2014 and 2015.

[Read full article](#)



[B2B Payments Innovation of the Year](#)



ISO 20022 for BPO adoption

Case studies and recent adoption news

Case Studies
BNP Paribas Fortis - BP Aromatics (2015)
UniCredit (2015)
TEB, TEMSA, ZF and UniCredit (2015)
Commerzbank (2015)
China Merchants Bank and Angel Yeast (2015)
Bank of Tokyo-Mitsubishi UFJ
ROI for BP Petrochemicals
Itō Yōkadō, Bank of Tokyo Mitsubishi UFJ and Bank of China
Bank of Tokyo-Mitsubishi UFJ (PPT)
Siam Commercial Bank and PTT Polymer Marketing
Isbank

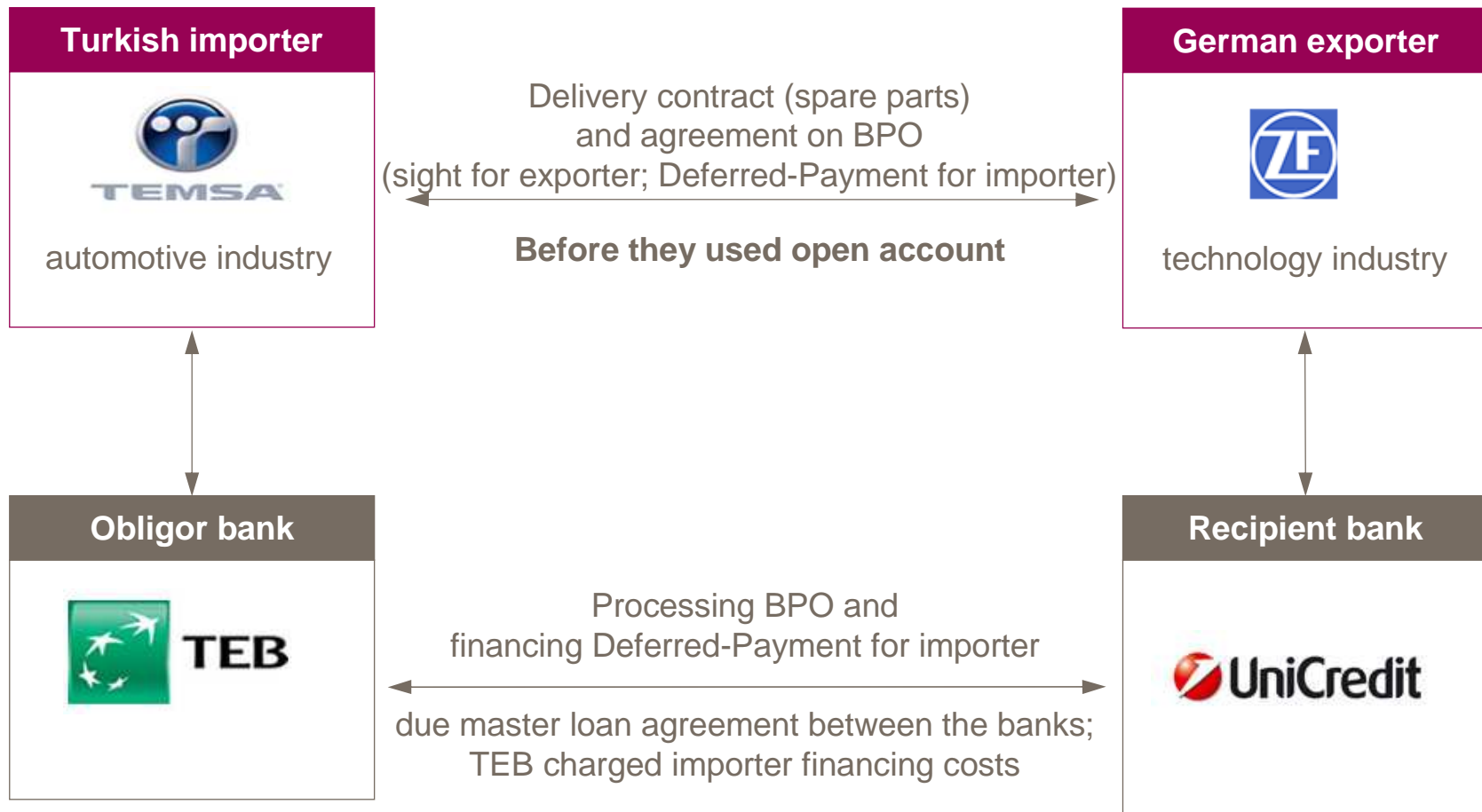
Date	Recent news
Nov 2015	Toyota's Middle East car dealer eyes more BPOs
Oct 2015	BCG Paper: Embracing Digital in Trade Finance
Aug 2015	Standard Chartered completes first end-to-end electronic transaction in the Middle East automotive sector
Jul 2015	A new Digital Era for Trade (JPMorgan)
Jul 2015	How the digitisation of trade finance is rocking the boat for banks (ANZ)
Apr 2015	90-second update: The BPO (video) (GTR)
Apr 2015	First ever CargoDocs BPO Plus (BPO+) transaction completed successfully
Mar 2015	First BPO in Italy to replace open account (GTR on UniCredit)



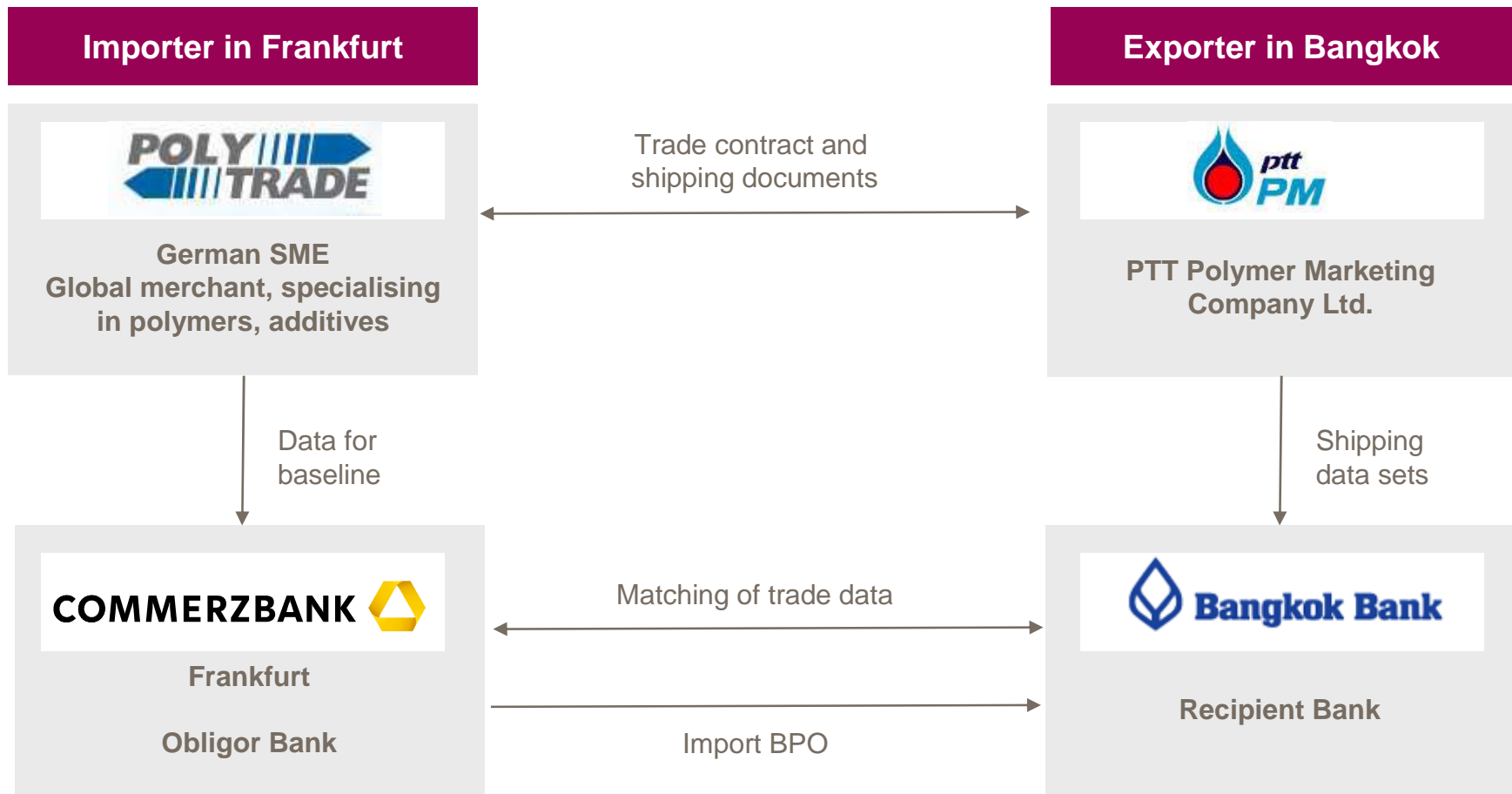
Case study: “The first open account BPO”



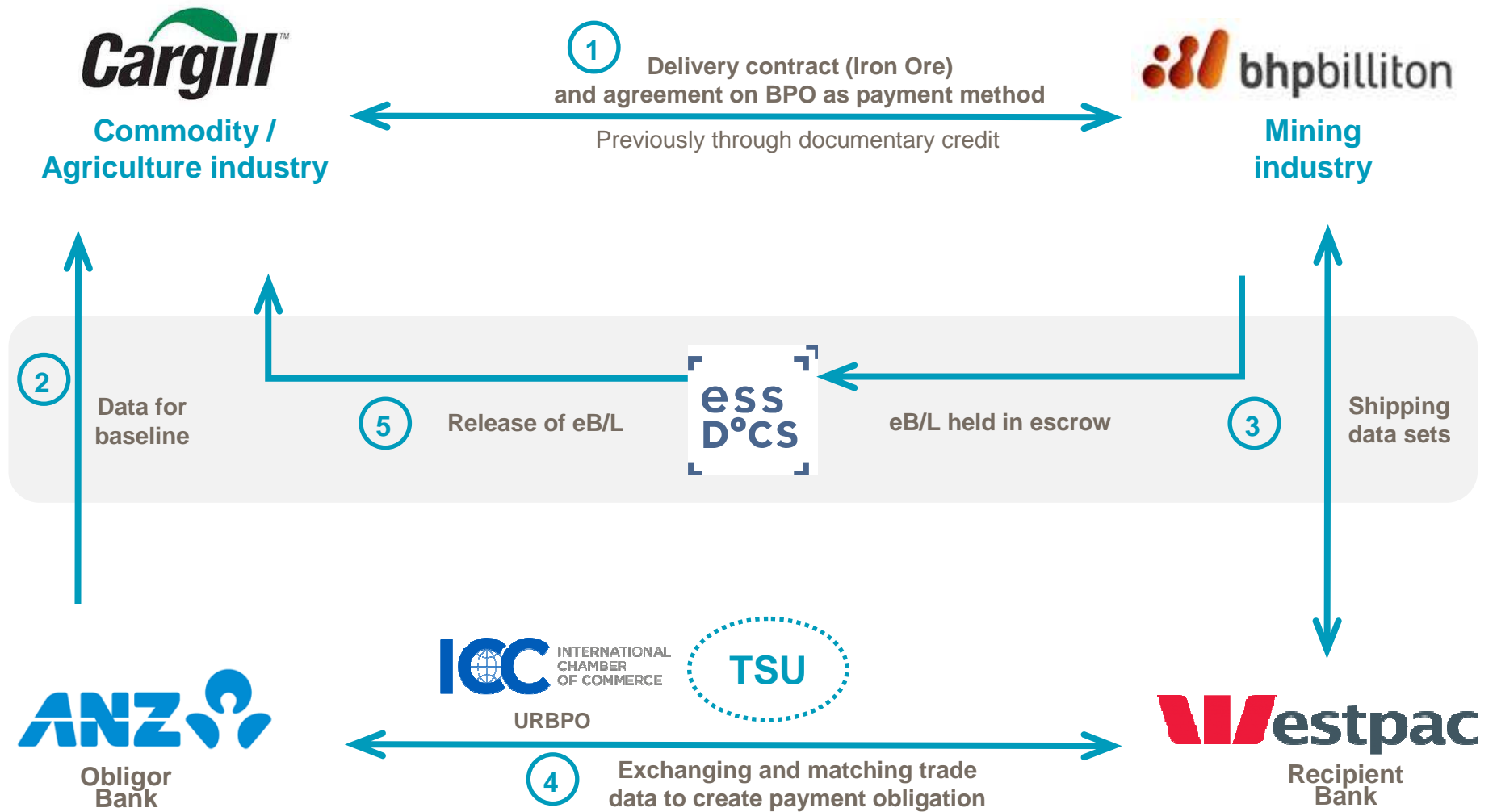
Case study: “Coming from open account”



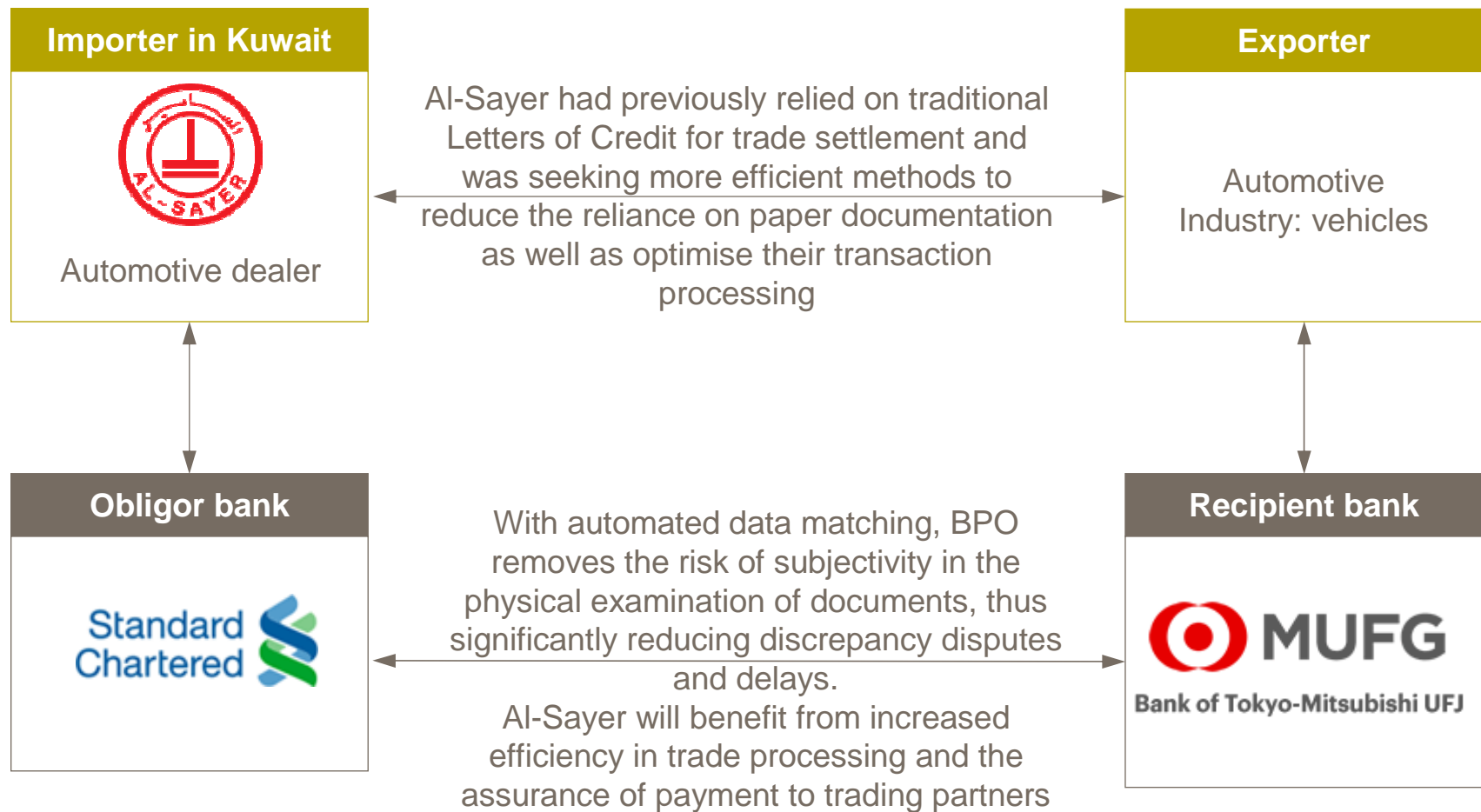
Case Study - "Optimisation of internal payment handling processes"



April 2015 – First ever BPO with eB/L



First end-to-end electronic transaction in the Middle East automotive sector for Al-Sayer



Corporate Testimonials

The market needs new solutions in support of the efficient conduct of international trade: the BPO is a perfect instrument, as it allows the financial processes to 'catch up' in terms of processing time, to the physical movement of goods and to the ERP-enabled, 24/7 and near-real time communications now possible even across complex international supply chains. Digitisation and solutions like the BPO effectively speed up commercial response, eliminates delays and removes time zone issues when dealing across markets, and needing to quickly line up suppliers in response to a new order from a client. Banks will need to broaden and further develop their digitised offerings in support of trade to remain relevant; while corporate clients and SWIFT are working today to advance market adoption, the expectation in future is that banks should lead and facilitate this process.

Ural Inal, Chief Financial Officer, TEMSA GLOBAL (Turkey)



We are pleased to pioneer this trade innovation in our industry and markets. Delays in receiving title documents, which affect the timely receipt of goods, have always been a significant challenge for us. With the help of Standard Chartered, we can now enjoy much faster turnaround times by utilising the BPO for trade settlement, and in the process, avoid additional costs such as commission and demurrage charges.

Mubarak Naser Al Sayer, CEO, Al Sayer Group (Kuwait)



In the context of digitisation, our focus currently is on the Bank Payment Obligation, where we see potential and the opportunity for creative solutions. We have been doing several BPO's so far, in some instances replacing other trade finance products, in other instances allowing our buyer to benefit from working capital optimisation. We complement the BPO with our own SWIFT address and an additional platform we use for our trade transactions, which is partially digitised and partially requires data entry. We may be 'kicking in an open door' by stating this, but transaction lead times in trade are compressing, and traditional L/Cs are often no longer fit for purpose: digitisation is here, and the BPO is a natural channel for digitisation into the world of trade.

Michael van Steenwinkel, Global Credit Manager Chemicals, BP (Belgium)



Bank Testimonials



BNP Paribas was the 1st European Bank to book a live BPO transaction in April 2014. This operation was awarded Deal of the Year 2014 by Trade & Forfaiting Review and was a starting point for more recurring streams of BPO transactions. BNP Paribas has been closely involved in the URBPO exercise and supported the initiative from the beginning. With the BPO, BNP Paribas offers flexible risk mitigation and financing services to all corporate clients across the supply chain. Speed and flexibility are important challenges for every company in every sector. The Group has invested a lot in product development and innovation for many years. BNP Paribas was also the 1st European Bank to implement SwiftNet Trade connectivity for Corporates (MT798) in February 2010.

Eric Henry, Global Head of e-Trade Sales, BNP Paribas, France



At CIMB, we view the BPO as a key differentiator in trade financing, in the context of increasing and irreversible shift towards digitisation. Market adoption of BPO will accelerate over time, and the speed depends on the efforts from both banks and corporates. More banks need to switch on to BPO and focus on educating their clients. SWIFT also has an important role to play in educating banks and corporates, and encouraging adoption. Corporates have an even more pivotal role in motivating adoption by their counterparties. This approach requires at least one trading partner to be convinced of the value proposition of BPO, and further requires them to have figured out the economics of such a solution. Perhaps more critically given the nature of these transactions, business partners must be willing to share the benefits of conducting trade on a platform such as the BPO, which is particularly well suited to high-growth open account trade flows across ASEAN.

Thomas Tan, Group Head, Transaction Banking, CIMB Group, Malaysia



UniCredit worked on BPO right from the beginning and was active in drafting the uniform rules for the BPO. When we completed the first BPO in Germany and in Italy we established our leading position in managing BPO transactions in Europe. Since then we have received many client requests from both mid-caps and multinationals. UniCredit is the European banking gateway to the world, and can leverage its broad correspondent banking network and presence in more than 50 markets. As a consequence, we are able to offer services that enhance operational efficiency and mitigate payment risk for the ever growing volume of trade transactions that are managed on an open account basis.

Claudio Camozzo, Global Transaction Banking Co-Head at UniCredit and SWIFT Board Member



After going live with the BPO in October 2014, we are pleased that our customers responded positively to the BPO and processed other BPO transactions with us. Being the leading Mittelstandsbank in Germany, we are ambitious to expand our BPO business in Germany and abroad, we see opportunities in the context of supply chain finance and the market trend for digitisation of trade flows, benefiting from our relationships with about 5,000 credit institutions worldwide.

Frank-Oliver Wolf, Head of Sales Commerzbank Transaction Service Germany at Commerzbank AG



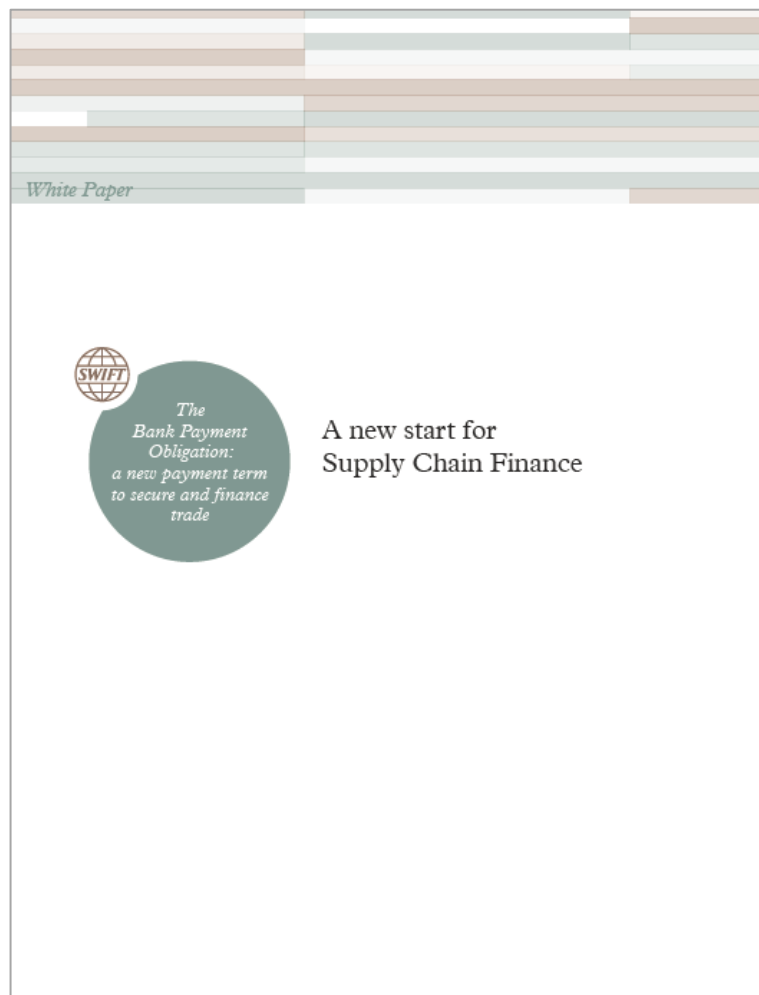
International Chamber of Commerce

The time has now come for the banking community as a whole to prepare for the growing digitisation of commerce and finance processes. Banks now have the opportunity to extend their supply chain finance services collaboratively from invoice-based processing services (e.g. factoring and early payment services) to purchase order-based services, such as payment assurance, pre-shipment and receivables / payables finance. By promoting the BPO payment term to trading counterparties, banks will accelerate the financial supply chain and become better financial partners.

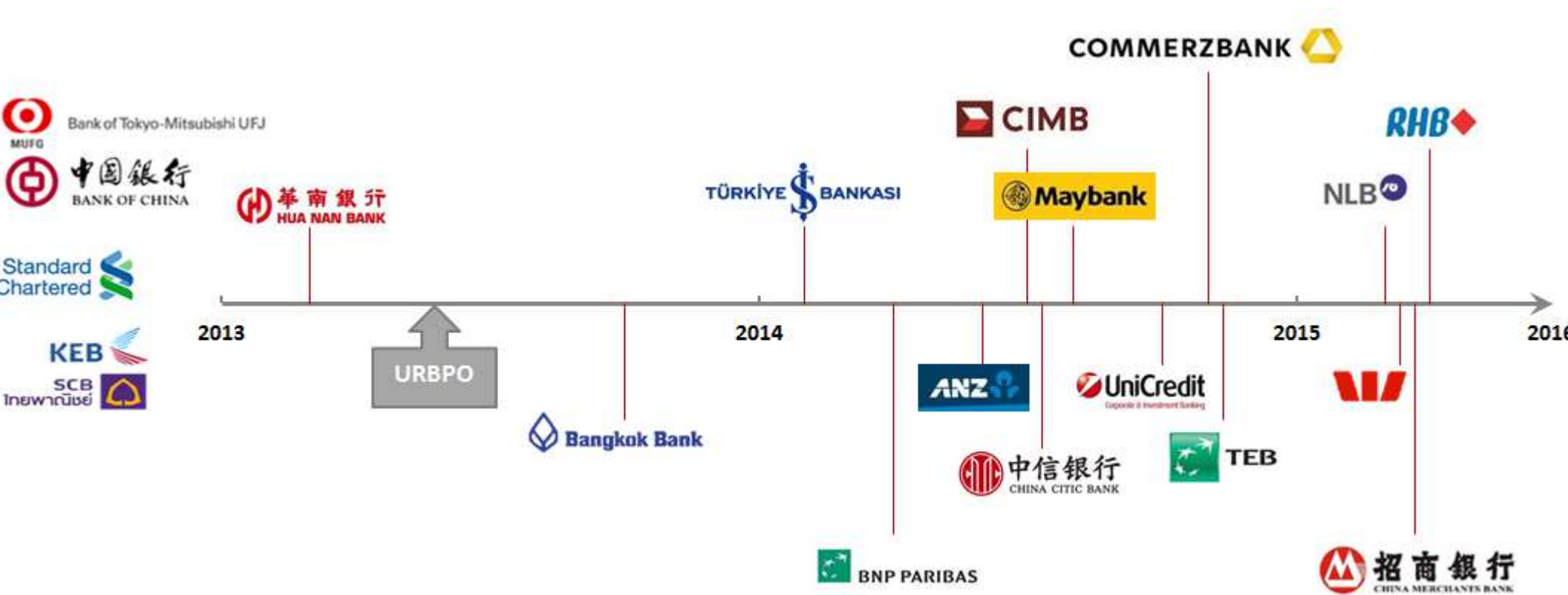
Andre Casterman, Chair Bank Payment Obligation initiative, International Chamber of Commerce



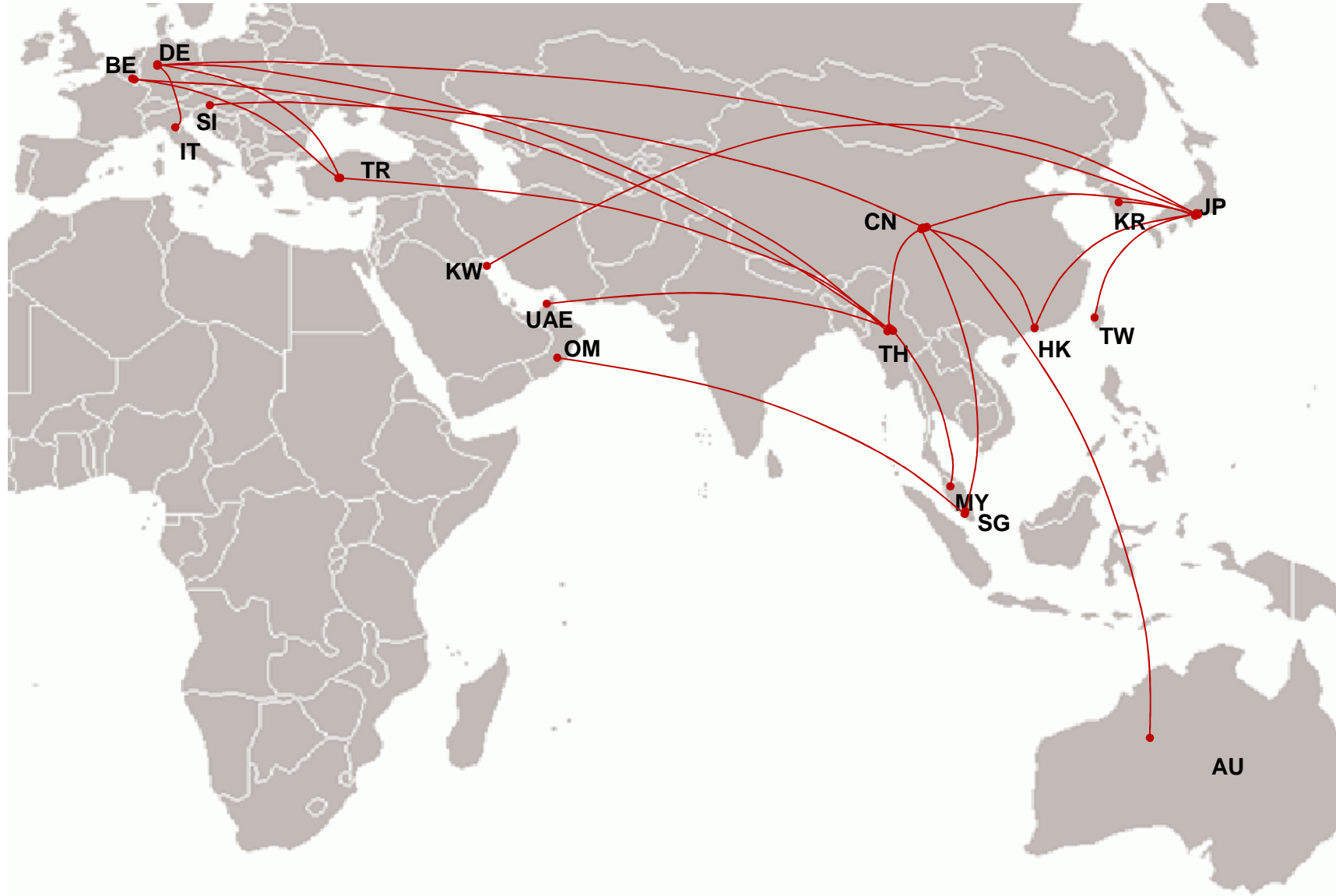
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Live use of ISO 20022 for BPO is accelerating

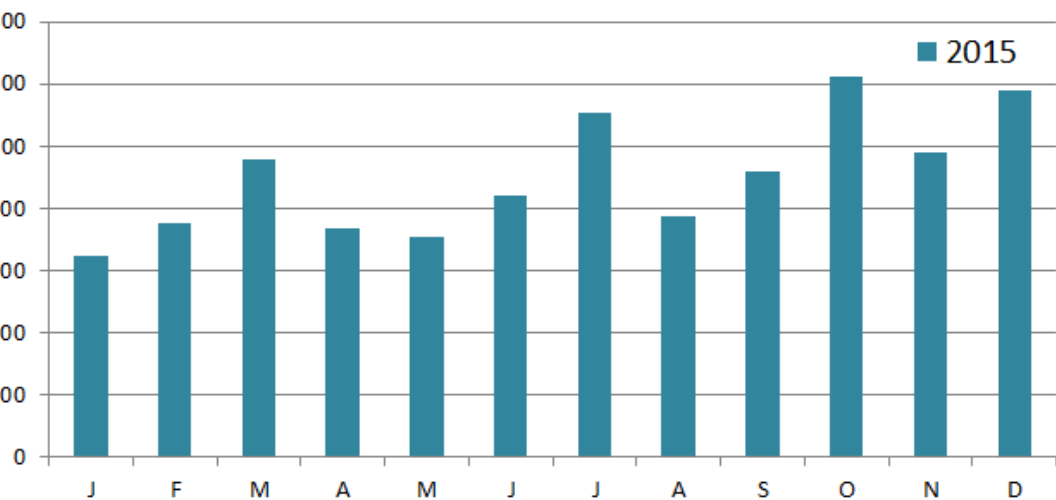


Recent BPO routes

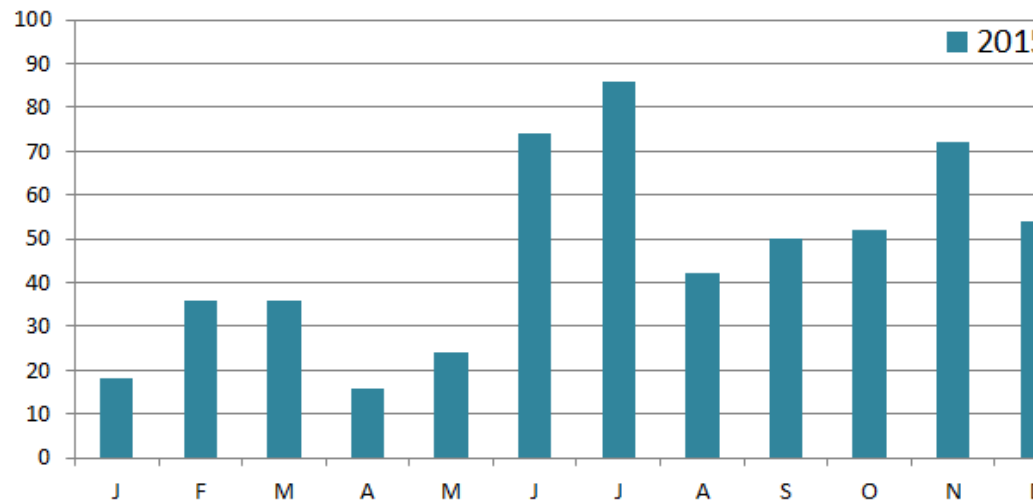


ISO 2022 traffic for BPO

ISO 2022 messages (live) for the BPO



New established BPO transactions (live)





TSU BICs within Europe

DK	1
FI	1
GB	11
SE	2

DK - Denmark

- Danske Bank

FI - Finland

- Nordea

GB - United Kingdom

- ANZ, United Kingdom
- Bank of America Merrill Lynch, London
- Bank of Tokyo-Mitsubishi UFJ, London
- Barclays
- Commerzbank, London
- Deutsche Bank, London
- HSBC Bank plc
- J.P. Morgan, UK
- Qatar National Bank, London
- Royal Bank of Scotland, London
- Standard Chartered, UK

SE - Sweden

- SEB
- Swedbank

AT - Austria

- Commerzbank, Vienna
- UniCredit Bank Austria

BE - Belgium

- Bank of Tokyo-Mitsubishi UFJ, Brussels
- BNP Paribas Fortis
- Commerzbank, Brussels

BG - Bulgaria

- UniCredit Bulbank

CH - Switzerland

- UBS

DE - Germany

- Bank of Tokyo-Mitsubishi UFJ, Dusseldorf
- BNP Paribas Germany
- Commerzbank
- Deutsche Bank
- LBBW
- Sparkasse Bremen
- UniCredit Bank (HypoVereinsbank)

ES - Spain

- Banco Popular
- Banco Santander
- Bankinter
- BBVA
- la Caixa

FR - France

- Bank of Tokyo-Mitsubishi UFJ, Paris
- BNP Paribas
- Crédit Agricole CIB
- Crédit Mutuel CIC
- Société Générale

GR - Greece

- National Bank of Greece

IT - Italy

- Banca Nazionale del Lavoro
- Banca popolare dell'Emilia Romagna
- Banca Popolare di Vicenza
- Banco Popolare
- Iccrea Banca
- UniCredit

NL - The Netherlands

- BNP Paribas, Amsterdam
- Commerzbank, Amsterdam
- ING

RO - Romania

- UniCredit Bank Romania

SI - Slovenia

- NLB (Nova Ljubljanska Banka)



TSU BICs within Middle East and Africa

AE	5
JO	1
KW	1
LB	1
OM	1
QA	4
SA	1
TR	5

GH	1
KE	1
MA	1
NG	1
ZA	3

GH - Ghana

- Standard Chartered, Ghana

KE - Kenya

- Standard Chartered, Kenya

MA - Morocco

- Banque Marocaine du Commerce Exterieur (BMCE)

NG - Nigeria

- Standard Chartered, Nigeria

ZA - South Africa

- Rand Merchant Bank
- Standard Bank of South Africa
- Standard Chartered, South Africa

AE - United Arab Emirates

- Bank of Tokyo-Mitsubishi UFJ, Dubai
- Commercial Bank of Dubai
- First Gulf Bank
- Standard Chartered, Dubai

JO - Jordan

- Bank al Etihad

KW - Kuwait

- HSBC Bank Kuwait

LB - Lebanon

- BLOM Bank

OM - Oman

- Standard Chartered, Oman

QA - Qatar

- BNP Paribas, Qatar
- Qatar National Bank
- Standard Chartered, Qatar

SA - Saudi Arabia

- Samba Financial Group

TR - Turkey

- Akbank
- Finansbank
- Garanti Bank
- Türk Ekonomi Bankasi
- Türkiye Is Bankasi (Isbank)



TSU BICs within Asia Pacific

CN	18
HK	13
IN	4
JP	6
KR	4
LK	1
PK	2
TW	2

CN - China

- Agricultural Bank of China
- ANZ, Shanghai
- Bank of China
- Bank of Communications
- Bank of Tokyo-Mitsubishi UFJ, Beijing
- Bank of Tokyo-Mitsubishi UFJ, Shanghai
- China Citic Bank
- China Construction Bank
- China Guangfa Bank
- China Merchants Bank
- China Minsheng Banking Corp.
- Hua Xia Bank
- Industrial & Commercial Bank of China
- Industrial Bank
- Maybank Shanghai
- National Australia Bank
- Standard Chartered, China

HK - Hong Kong

- ANZ, Hong Kong
- Bank of America Merrill Lynch, Hong Kong
- Bank of China, HK
- Bank of Tokyo-Mitsubishi UFJ, Hong Kong
- BNP Paribas, Hong Kong
- Citi, Hong Kong
- Hang Seng Bank
- HSBC Hong Kong
- J.P. Morgan, Hong Kong
- Mizuho, Hong Kong
- National Australia Bank, Hong Kong
- Standard Chartered, Hong Kong
- UniCredit Bank AG Hong Kong

IN - India

- FirstRand India
- ICICI Bank
- National Australia Bank
- Standard Chartered, India

JP - Japan

- Bank of Tokyo-Mitsubishi UFJ, Tokyo
- HSBC Japan
- Mizuho
- National Australia Bank
- Standard Chartered, Japan
- Sumitomo Mitsui Banking Corp. (SMBC)

KR - Korea

- Bank of Tokyo-Mitsubishi UFJ, Seoul
- Hana Bank
- Korea Exchange Bank
- Woori Bank

LK - Sri Lanka

- Standard Chartered, Sri Lanka

PK - Pakistan

- Bank of Tokyo-Mitsubishi UFJ, Karachi
- Standard Chartered, Pakistan

TW - Taiwan

- Bank of Tokyo-Mitsubishi UFJ, Taipei
- Standard Chartered, Taiwan



TSU BICs within Asia Pacific

ID	5
MY	5
PH	2
SG	17
TH	7
VN	3

AU	4
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ID - Indonesia

- Bangkok Bank Jakarta
- Bank Mandiri
- Bank of Tokyo-Mitsubishi UFJ, Jakarta
- CIMB Niaga
- Standard Chartered, Indonesia

MY - Malaysia

- Bank of Tokyo-Mitsubishi UFJ, Berhad
- CIMB Bank
- Maybank
- RHB Bank
- Standard Chartered, Malaysia

PH - Philippines

- Bank of Tokyo-Mitsubishi UFJ, Manila
- Standard Chartered, Philippines

SG - Singapore

- ANZ, Singapore
- Bank of America Merrill Lynch, Singapore
- Bank of Tokyo-Mitsubishi UFJ, Singapore
- BNP Paribas, Singapore
- CIMB Bank Singapore
- Deutsche Bank, Singapore
- First Gulf Bank, Singapore
- J.P. Morgan, Singapore
- Maybank Singapore
- Mizuho, Singapore
- National Australia Bank
- Qatar National Bank, Singapore
- RHB Bank, Singapore
- Standard Chartered, Singapore
- Sumitomo Mitsui Banking Corp. (SMBC), Singapore
- UniCredit Bank AG Singapore
- Westpac Banking Corporation, Singapore

TH - Thailand

- Bangkok Bank
- Bank of Ayudhya (Krungsri)
- Bank of Tokyo-Mitsubishi UFJ, Bangkok
- CIMB Thai Bank
- Kasikornbank
- Siam Commercial Bank
- Standard Chartered, Thailand

VN - Vietnam

- Bank of Tokyo-Mitsubishi UFJ, Hanoi
- Bank of Tokyo-Mitsubishi UFJ, Ho Chi Minh City
- Standard Chartered, Vietnam

AU - Australia

- ANZ
- Bank of Tokyo-Mitsubishi UFJ, Sydney
- National Australia Bank
- Westpac Banking Corporation



TSU BICs within Americas

CA	1
US	9

CA - Canada

- Bank of Montreal

US – United States

- Bank of America Merrill Lynch, US
- Bank of China, US
- Bank of Tokyo-Mitsubishi UFJ, New York
- Citi
- Deutsche Bank, New York
- J.P. Morgan
- Standard Chartered, US
- Wells Fargo

AR	2
BR	4
CL	1
PE	1

AR - Argentina

- Banco Galicia
- Bank of Tokyo-Mitsubishi UFJ, Buenos Aires

BR - Brazil

- Banco do Brasil
- Bank of China, Brazil
- Bank of Tokyo-Mitsubishi UFJ, Sao Paulo
- Bradesco

CL - Chile

- Bank of Tokyo-Mitsubishi UFJ, Santiago, Chile

PE - Peru

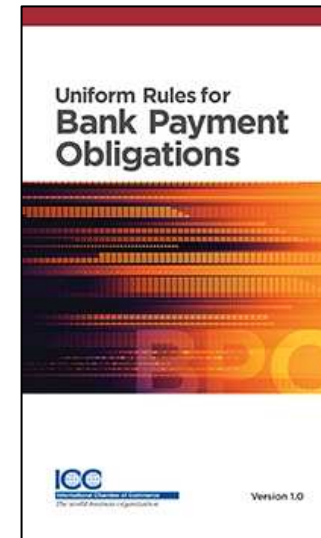
- Banco de Credito del Peru



ICC publications on the BPO



Click image to ICC website
Source: ICC



Click image to ICC website
Source: ICC



For more BPO related documents, [click here](#) and scroll down to:

- BPO Accounting and Capital Treatment
- BPO Frequently Asked Questions for Banks (October 2014)
- BPO Frequently Asked Questions for Corporates (October 2014)
- BPO Brochure
- ICC Guidelines for the Creation of BPO Customer Agreements (August 2015)





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