



SIMPLIFY TRADE FINANCE OPERATIONS WITH INTELLIGENT AUTOMATION

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ABSTRACT

Intelligent Automation (IA) facilitates Trade Finance Operations. IA solution also engages cutting edge technologies such as Intelligent Data Capture and Artificial Intelligence to provide end-to-end automation of Trade Finance processes, which are otherwise heavily paper-process ridden.

The solution also automatically validates the data with databases of global monitoring agencies including OFAC, Hunter, FIRCO, World Check, etc., to immediately identify and curb illegal activities.

IA is a business enabler. It increases efficiency by 65% and reduces errors by 40%.



INTRODUCTION

An open economy is a boon. It facilitates trade between different countries. As the fourth industrial revolution gains momentum, the world is witnessing a boom in international trade.

Cross border trade has inherent risks. It could be that the buyer does not receive the goods even after payment. So also it could be that the seller does not receive the money after the goods are dispatched. In such cases, the intermediary banks act as mediators and hedge-off the associated risk.

Trade Finance is a specialized banking function which takes care of the financial transactions involved in the trade between parties separated by international borders.

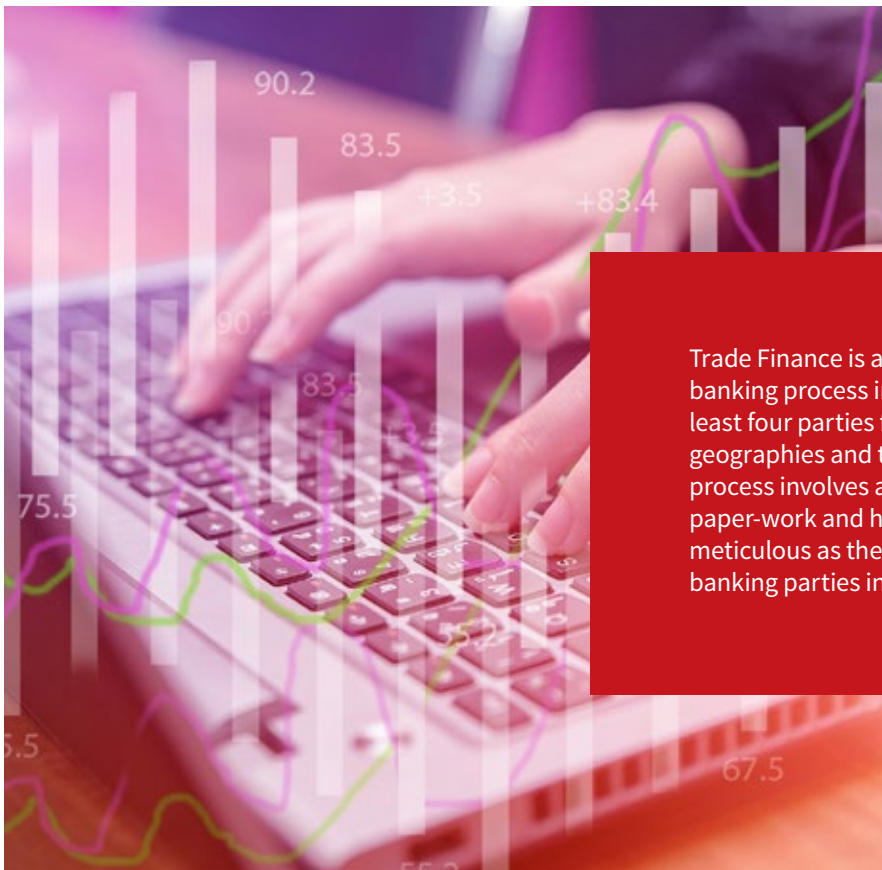


The buyer applies for a letter of credit either through a part payment or payment in full. The buyer's bank then provides the letter of credit to the seller's bank. It stands for the payment after the seller submits the bill of lading to his banking counterpart confirming that the goods have been shipped.

Trade Finance involves a lot of paper work on both sides of the trade border. It has to be fast and accurate. At the same time, the banks involved have to be very cautious that all the papers are in order before releasing the payment.

The end-to-end fulfillment of each and every Trade Finance case is very time consuming and tedious. With an increase in bilateral trade between nations, the banking activities witness a tremendous surge and a corresponding increase in paper-work, which has to be accurately and speedily processed.

PROBLEM STATEMENT



Trade Finance is a complicated banking process involving at least four parties from different geographies and time zones. The process involves a large amount of paper-work and has to be timely and meticulous as the credibility of the banking parties involved is at risk.

SOLUTION

Intelligent Automation is the way ahead; especially so when huge volumes of paper-work and human judgment are equally involved. It helps in optimizing operations while maintaining the operational costs on the lower side.



HOW IS INTELLIGENT AUTOMATION USEFUL IN TRADE FINANCE?

For end-to-end process automation of a heavy, paper-driven workflow environment, Intelligent Automation solution also uses Intelligent Data Capture or Optical Character Recognition as well as Artificial Intelligence (AI) algorithms.

An Intelligent Automation powered solution involves fast-paced, auto-extraction of data from the digitized formats of all the structured, unstructured, and multi-structured documents followed by indexing into different fields; for example: shipper name, port of entry, currency, amount, invoice number, etc. The solution thus effectively converts the unstructured data into a structured format.

The solution then segregates the documents into different categories, such as bill of lading, packing slip, invoice, purchase order, etc. in the docket for each Trade Finance docket. In the absence of any particular document, it sends alerts to the involved parties for quick resolution.



The solution validates each Trade Finance docket with lists published by global governing and monitoring bodies, such as OFAC, Hunter, FIRCO, World Check, Sanctions, Blacklisting, etc., in order to scan them for illegal activities.

Intelligent Automation allows building in smart features in the solution and offers Smart Inboxes for human validators. It flags the dockets depending on priority. It also enables shifting the dockets to another human validator's inbox and prevents bottlenecks.

Upon validation against all the necessary criteria and on receiving the final approval, the information from the digitized docket is integrated into the core banking system to finally make the SWIFT payment to the seller's banking counterpart and close the transaction.

BUSINESS IMPACT

Intelligent Automation powered Trade Finance solution facilitates a highly accurate, paperless workflow thus speeding up an otherwise lengthy and tedious process. It can be hosted on-premise and also on-cloud.

The solution offers end-to-end automation of the time consuming tasks including document handling, verification & validation, compliance checks, and integration with core banking systems.



Intelligent Automation improves process efficiency by 65% while reducing errors by 40%. It significantly reduces the time required for document processing, reduces the back and forth for document collection and processing, and improves customer satisfaction.

The solution significantly reduces OpEx, matches the transactions to the skills of the human validators, and improves business agility. It tremendously reduces the turnaround time, offers 360 degree business monitoring, integrates with the existing business systems with ease, and enables optimum resource utilization.

CONCLUSION



Intelligent Automation is a business enabler. It not only automates cross border Trade Finance operations but also improves compliance. It also mitigates fraud and money laundering instances. It syncs up with global trade monitoring agencies while automating statutory checks. In short, Intelligent Automation facilitates digital transformation, streamlines business, and affects business transformation.

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ABOUT DATAMATICS

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience.

Our portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics, which are powered by Artificial Intelligence.

The company also has established products in Robotics Process Automation, Advanced Analytics, Business Intelligence and Automated Fare Collection. Datamatics services over 450 clients across diverse verticals including Banking & Financial Services, Insurance, Manufacturing, Transport, Travel & Hospitality, Media & Publishing, Retail, and e-Commerce. Headquartered in Mumbai, the company has strong presence in the USA, Australia, Asia, Europe, and the Middle East with global employee strength of 10,000+.

Datamatics has adopted the highest standards of service quality and operational excellence through its customized offerings, enabling customers to take intelligent decisions and accelerate the time-to-market for staying ahead in the connected world.

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