



## **SIMPLIFY TRADE FINANCE OPERATIONS WITH INTELLIGENT AUTOMATION**

# TABLE OF **CONTENTS**

<b>03</b>	Abstract
<b>04</b>	Introduction
<b>05</b>	Problem Statement
<b>06</b>	Solution
<b>07</b>	How is Intelligent Automation useful in Trade Finance?
<b>08</b>	Business impact
<b>09</b>	Conclusion
<b>10</b>	About the Authors
<b>11</b>	About Datamatics Global Services

---

# ABSTRACT

---

*Intelligent Automation (IA) facilitates Trade Finance Operations. IA solution 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 document driven.*

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

*IA is a business enabler. It increases business efficiency by 65% and reduces error rates 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.

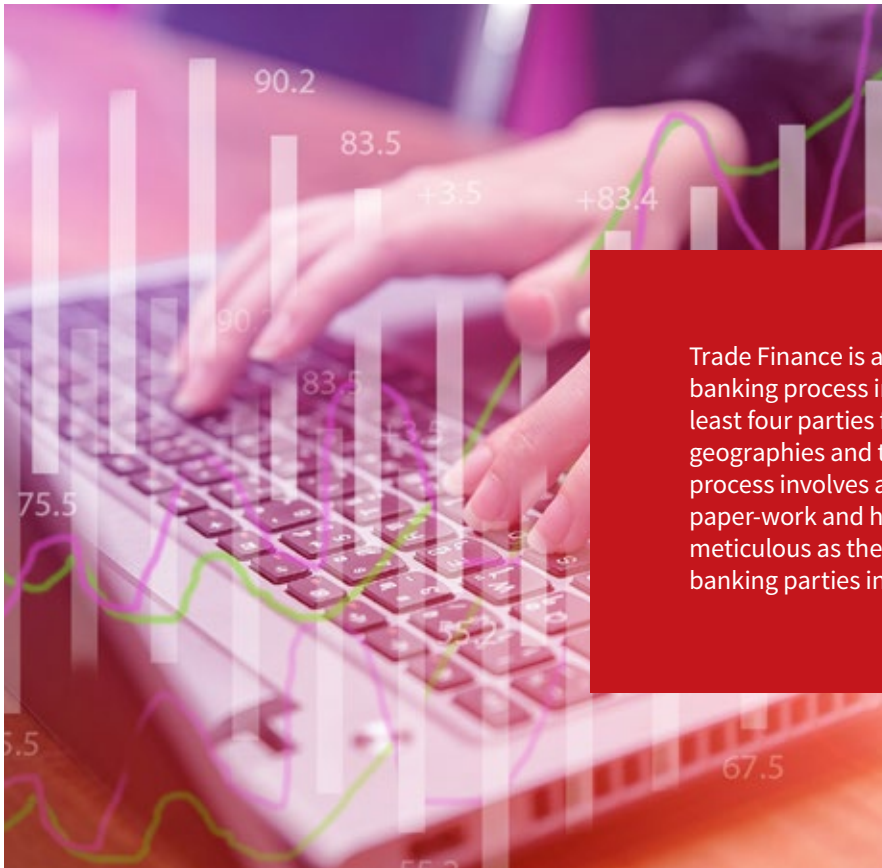
Trade Finance involves a lot of paper work on both sides of the international trade border. It has to be fast and accurate. At the same time, the banks involved have to be very cautious that all the papers are 'in order' before releasing the payment.

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. The solution is built by using IBM Digital Business Automation suite.



## 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, Document Management, Workflow, Rules Engine, as well as Artificial Intelligence (AI) algorithms. To enhance scrutiny, it performs various auto-checks for compliance, document consistency checks, UCP 600 rules, etc.

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



The solution also performs compliance checks and 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 offers a workflow solution that allows all the concerned parties including the front office, back office, relationship managers and customers to collaborate with each other. Its Smart Inbox automatically analyses each incoming transaction and assigns it to the best suited and available operator. It flags the application depending on priority, customer's rating, customer's current business volume, and customer's payment history. It also dynamically load balances the task assignment to pre-empt bottlenecks.

Its comprehensive integration suite allows seamless, two-way integration with the banking systems and the SWIFT gateway. Upon validation vis-à-vis all the necessary business 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 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 accelerates business transformation.

---

# ABOUT THE AUTHOR

---

## **AMIT SHARMA**

Associate Vice President & Software  
Delivery Head – Information  
Management, ECM & BPM Practice,  
Datamatics Global Services Ltd.

For over two decades, Amit has been building digital process automation solutions for BFSI industry across USA, Europe, Middle East, and India. He specializes in understanding business issues, performing in depth analysis of the business requirements, and recommending the latest tool-sets to achieve a high degree of automation. He enables customers to leverage their existing IT investment and optimize its usage across the enterprise. With his experience in designing and developing automation solutions in the Trade Finance domain for the last 15 years, Amit understands business challenges and how the new age intelligent components from the IBM DBA suite can assist business users at each stage of the trade transaction.

# 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.

**FOLLOW US ON**



© Copyright 2019 Datamatics Global Services Limited and its subsidiaries (hereinafter jointly referred as Datamatics). All rights reserved. Datamatics is a registered trademark of Datamatics Global Services Limited in several countries all over the world. Contents in this document are proprietary to Datamatics. No part of this document should be reproduced, published, transmitted or distributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, nor should be disclosed to third parties without prior written approval from the marketing team at Datamatics.

website: [datamatics.com](http://datamatics.com) | email: [business@datamatics.com](mailto:business@datamatics.com)

USA

UK

UAE

India

Philippines