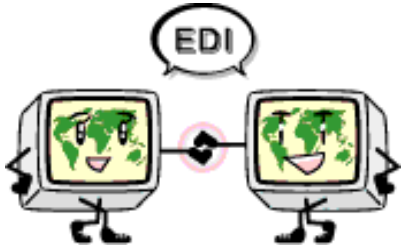
BDC Trade Facilitation WG

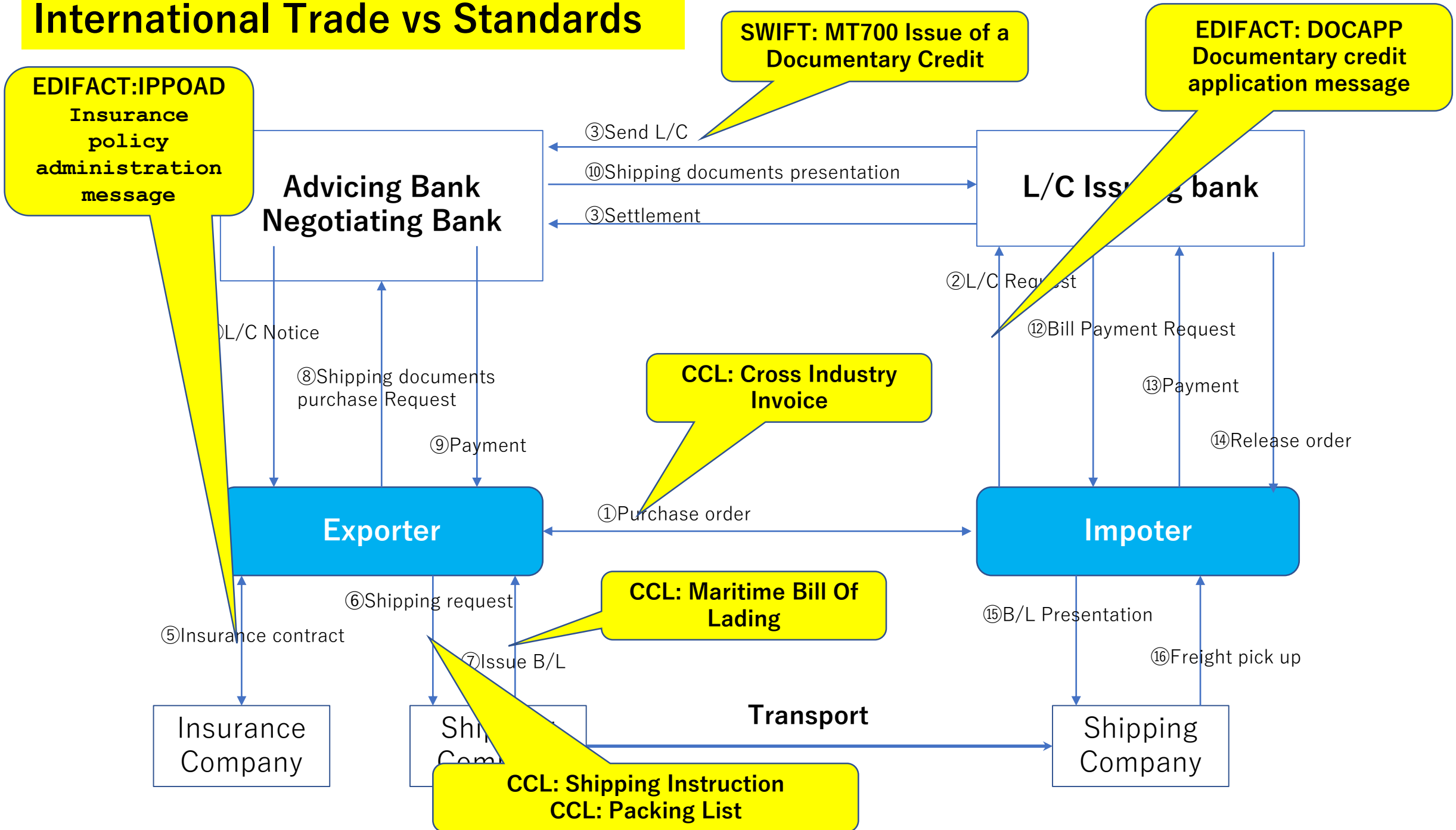


Trade Finance Project

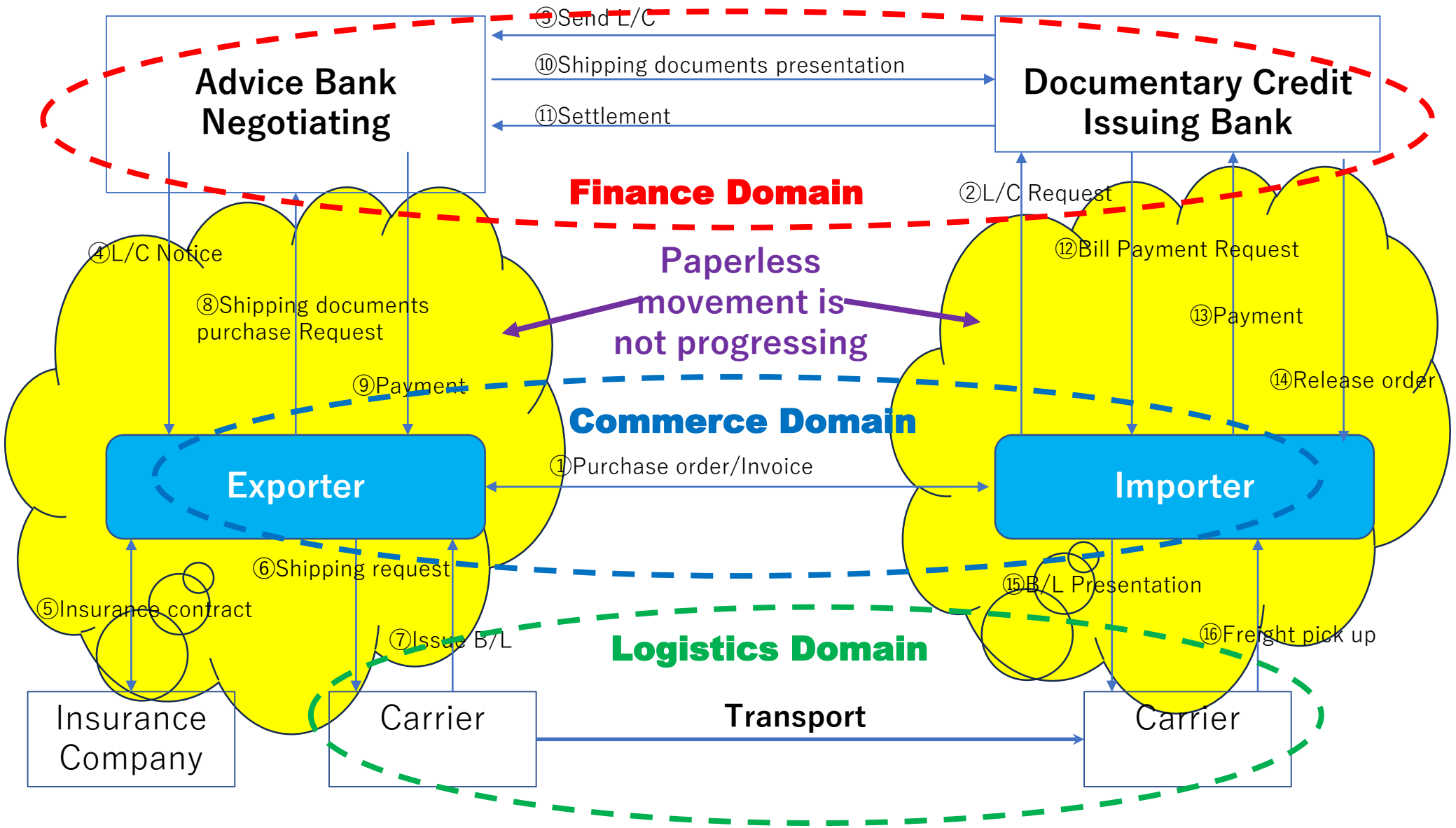
2024-11-26
42 AFACT Plenary

Hisanao Sugamata

International Trade vs Standards



Lack of interoperability in financial, commercial and logistics sectors



Buy/Ship/Pay Data Exchange Structures for Trade Finance Facilitation

Project submitted: 8 February 2023
By Sue Probert and Hanane BECHA

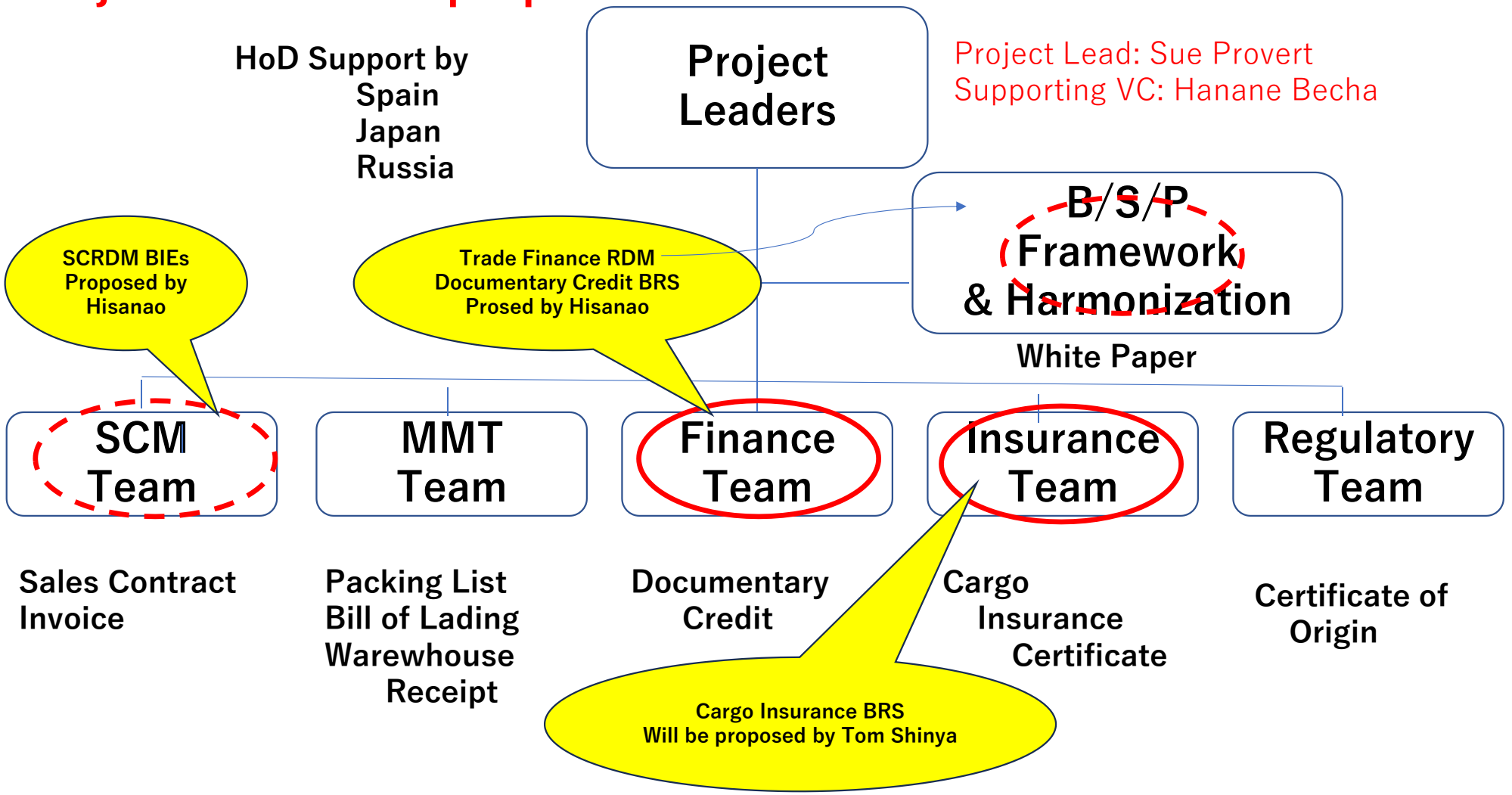
Project Purpose

In order to support the implementation of MLETR for title transfer, this project will develop data exchange structures as subsets of the Buy/Ship/Pay Reference Data Model (BSP RDM) to support key trade finance data exchanges as part of the UNECE “digital and green transformations for sustainable development in the ECE region” strategy.

Project Deliverables

- BRS and eBusiness Standard for Documentary Credit Advice
- BRS and eBusiness Standard for Non-Preferential Certificate of Origin
- BRS and eBusiness Standard for Maritime Cargo Insurance Certificate
- BRS, implementation guideline and CCBDA subset for Warehouse Receipt
- CCBDA Implementation guideline for Trade Finance Subset for Invoice
- CCBDA Implementation guideline for Trade Finance Subset for Packing List
- Trade Finance White Paper

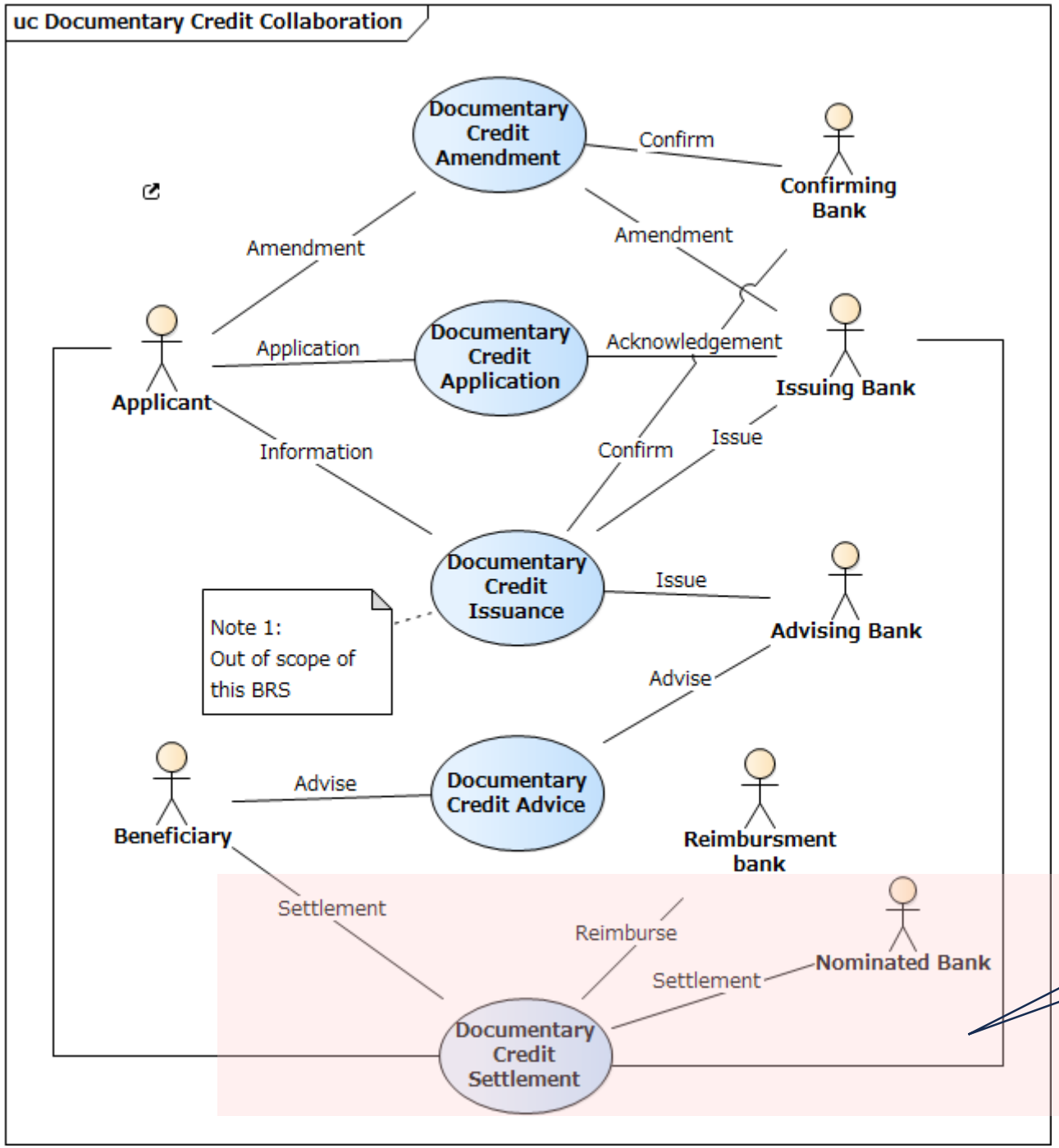
Project Formation proposal



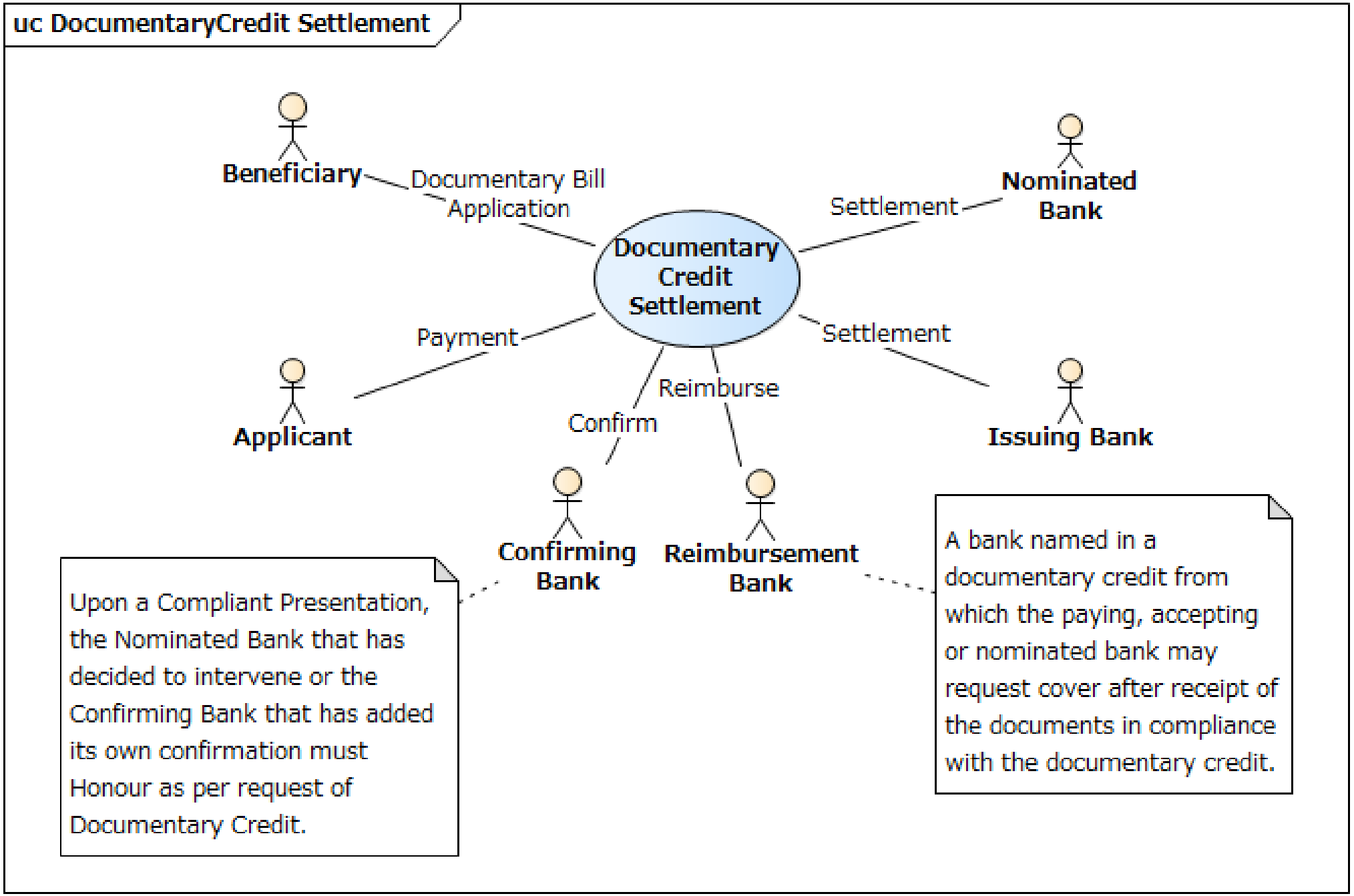
Online Project Meeting: Bi-Weekly

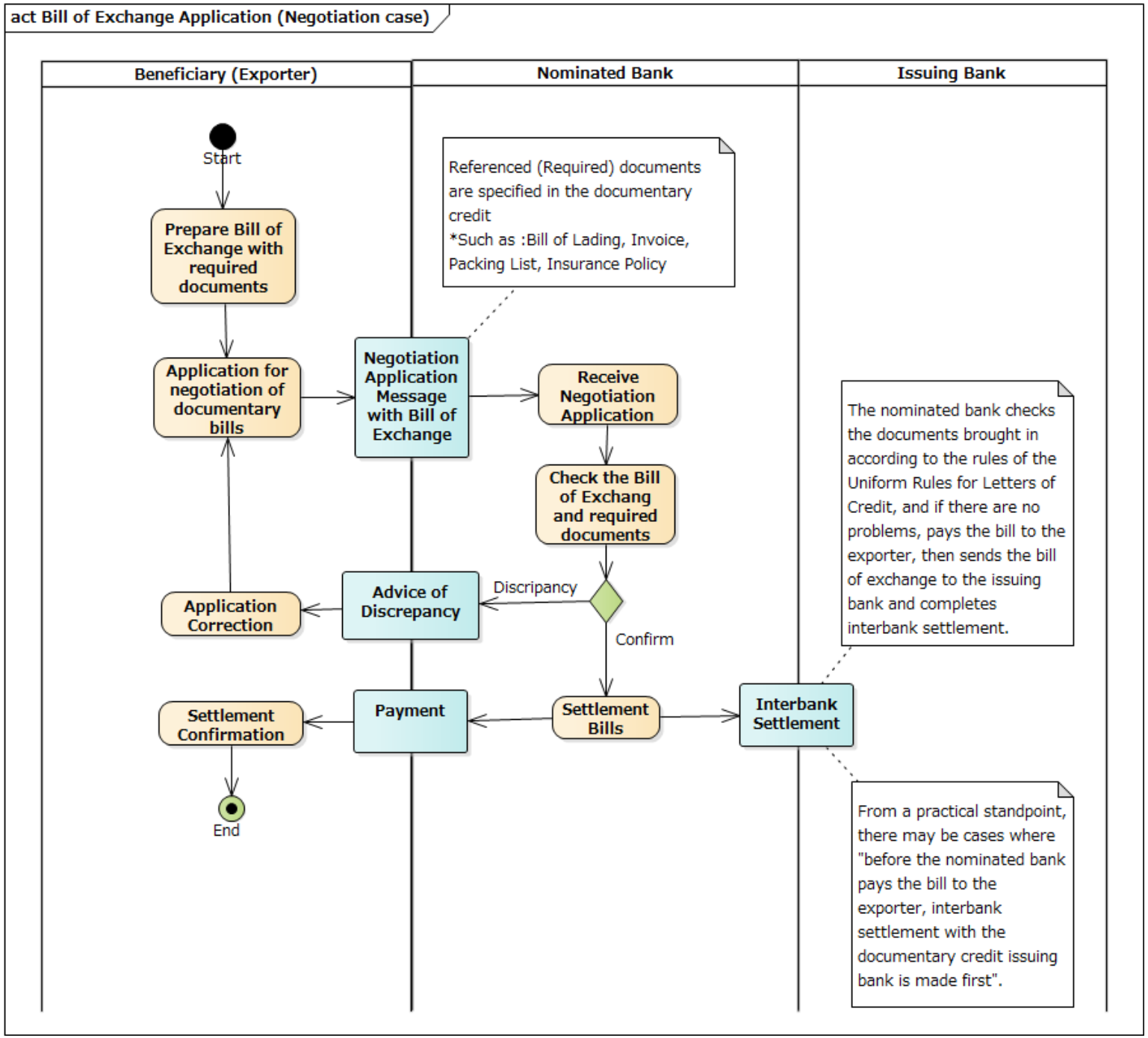
Documentary Credit Settlement（BRS）

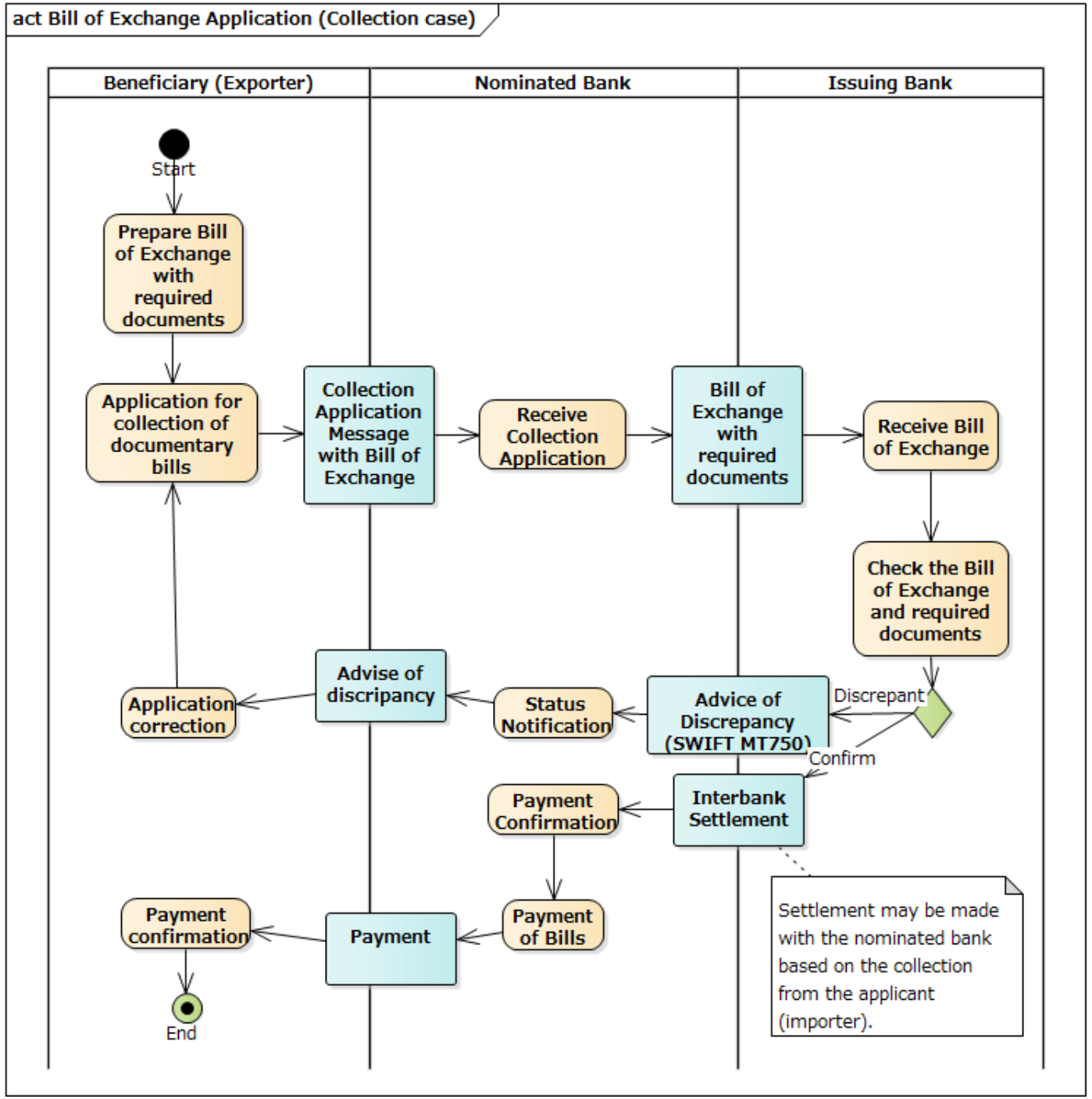
As of November/2024: Under development



Documentary Credit Settlement Process


uc DocumentaryCredit Settlement
Beneficiary
Documentary Bill Application
Nominated Bank
Settlement
Documentary Credit Settlement
Payment
Settlement
Applicant
Reimburse
Confirm
Issuing Bank
Confirming Bank
Reimbursement Bank
Upon a Compliant Presentation, the Nominated Bank that has decided to intervene or the Confirming Bank that has added its own confirmation must Honour as per request of Documentary Credit.
A bank named in a documentary credit from which the paying, accepting or nominated bank may request cover after receipt of the documents in compliance with the documentary credit.

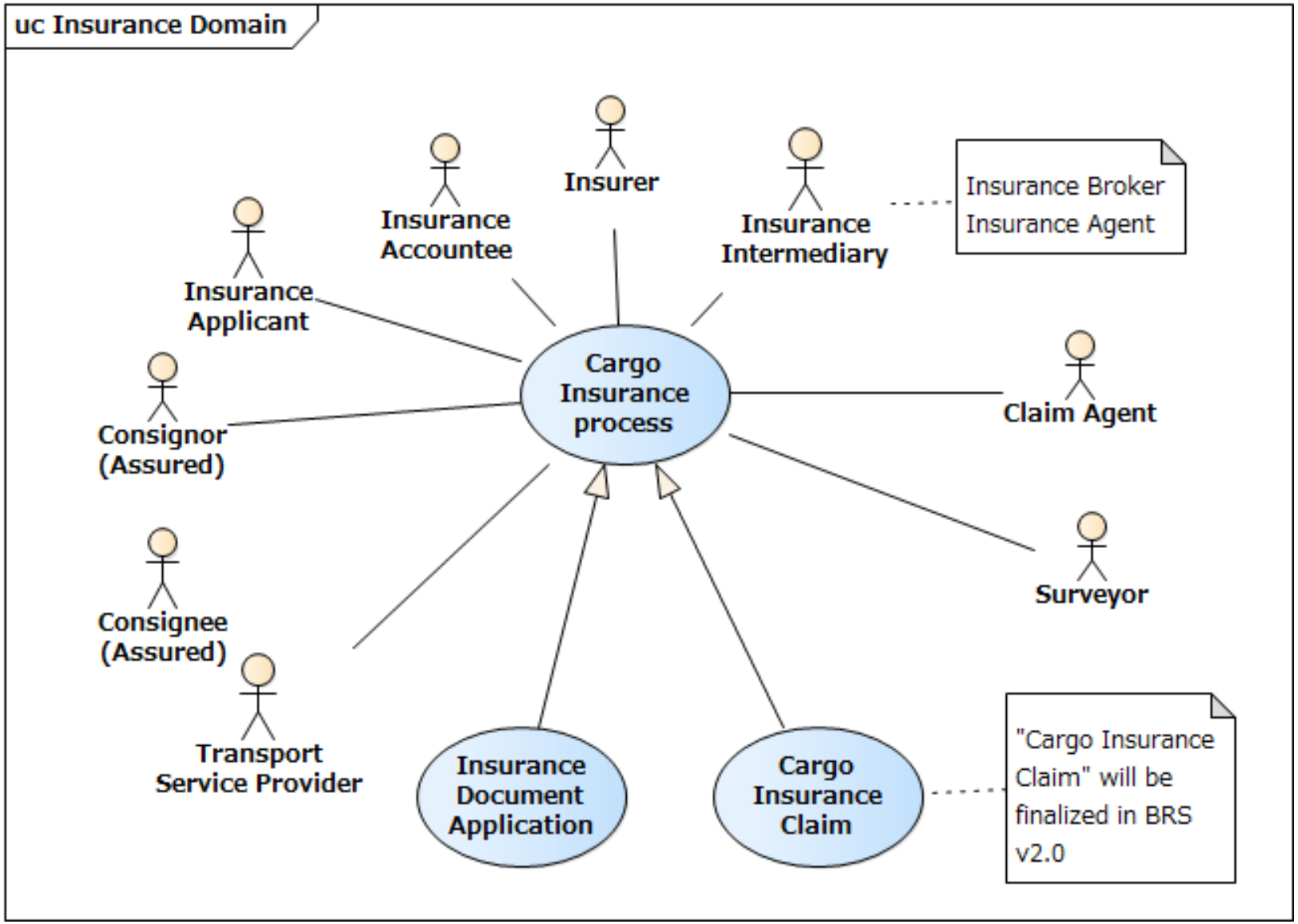

act Bill of Exchange Application (Negotiation case)
Beneficiary (Exporter)
Nominated Bank
Issuing Bank
Start
Prepare Bill of Exchange with required documents
Application for negotiation of documentary bills
Application Correction
Negotiation Application Message with Bill of Exchange
Advice of Discrepancy
Discripancy
Receive Negotiation Application
Check the Bill of Exchang and required documents
Confirm
Settlement Bills
Payment
Settlement Confirmation
End
Interbank Settlement
Referenced (Required) documents are specified in the documentary credit
*Such as :Bill of Lading, Invoice, Packing List, Insurance Policy
The nominated bank checks the documents brought in according to the rules of the Uniform Rules for Letters of Credit, and if there are no problems, pays the bill to the exporter, then sends the bill of exchange to the issuing bank and completes interbank settlement.
From a practical standpoint, there may be cases where "before the nominated bank pays the bill to the exporter, interbank settlement with the documentary credit issuing bank is made first".


act Bill of Exchange Application (Collection case)
Beneficiary (Exporter)
Nominated Bank
Issuing Bank
Start
Prepare Bill of Exchange with required documents
Application for collection of documentary bills
Collection Application Message with Bill of Exchange
Receive Collection Application
Bill of Exchange with required documents
Receive Bill of Exchange
Check the Bill of Exchange and required documents
Discrepant
Confirm
Advice of Discrepancy (SWIFT MT750)
Status Notification
Advise of discripancy
Application correction
Interbank Settlement
Payment Confirmation
Payment of Bills
Payment
Payment confirmation
End
Settlement may be made with the nominated bank based on the collection from the applicant (importer).

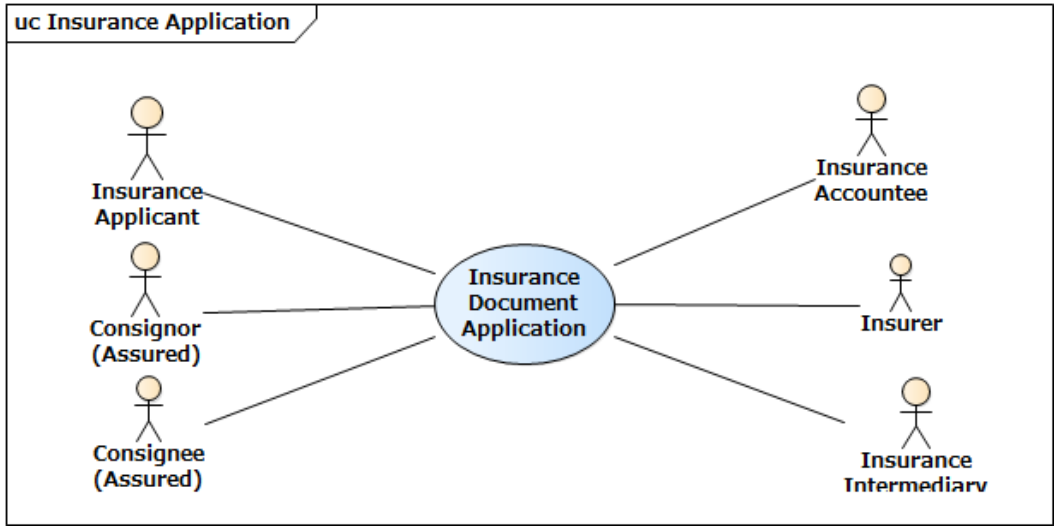
Cargo Insurance（BRS）

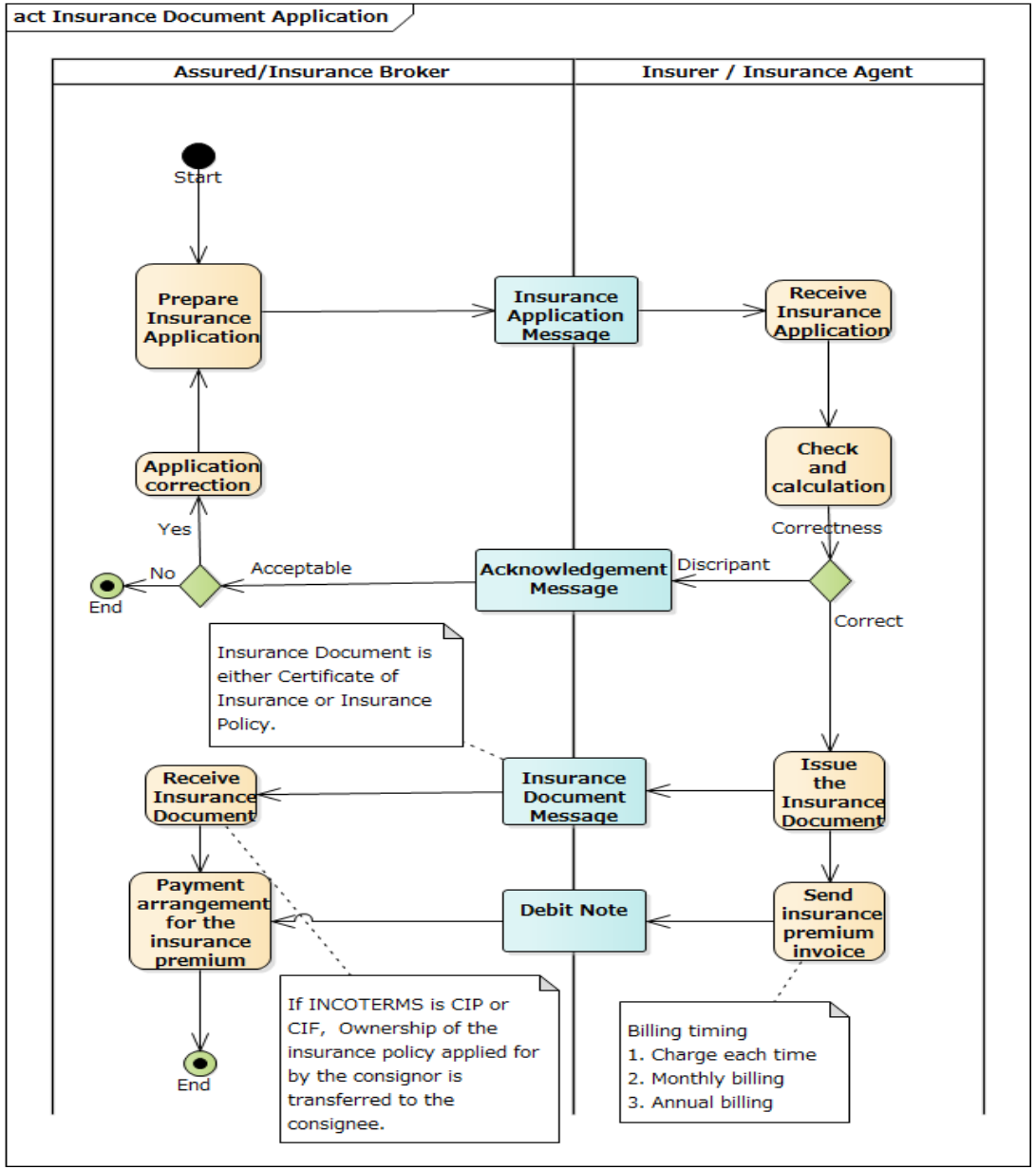
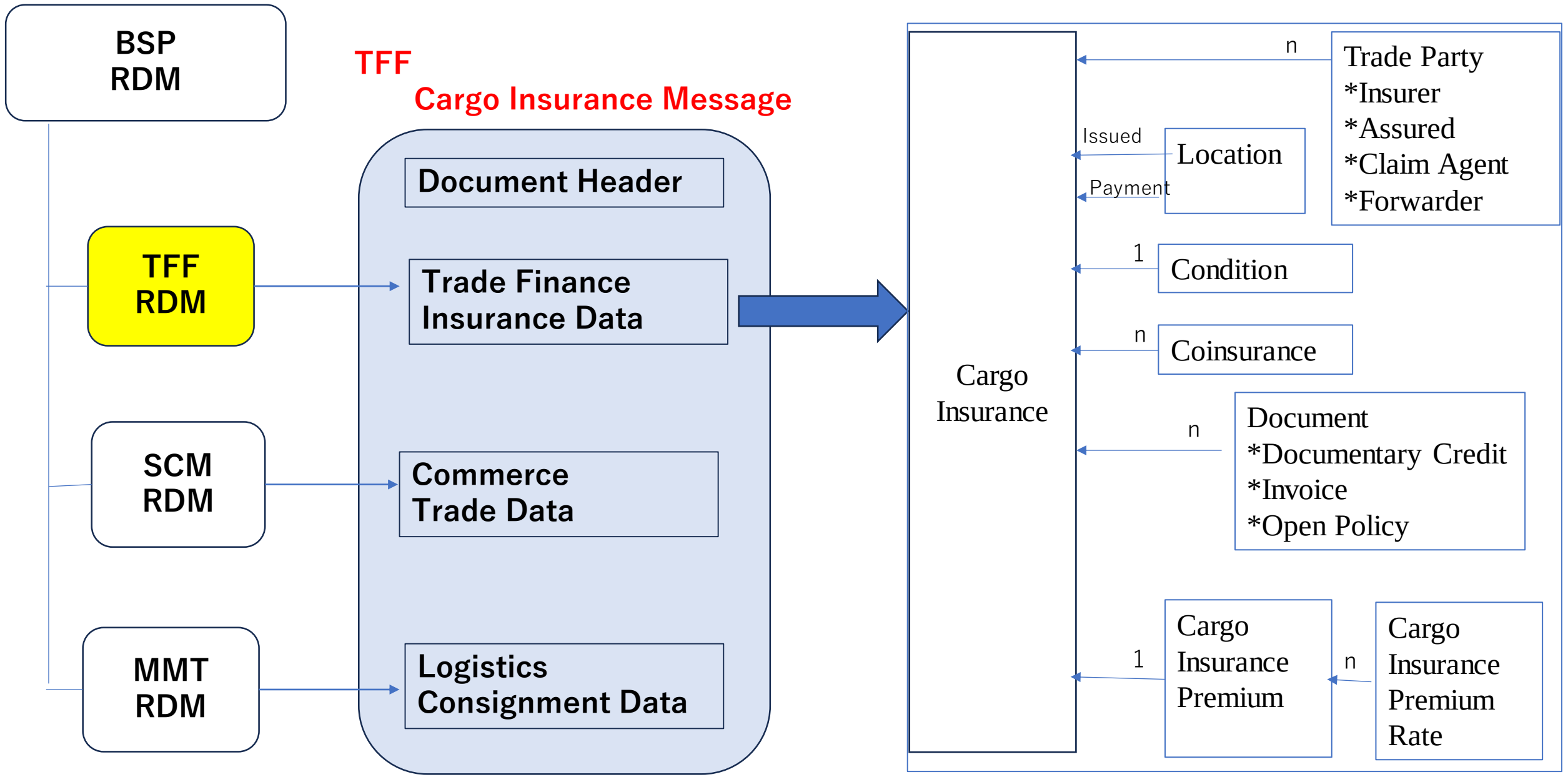
As of November/2024: Under Public Review

Cargo Insurance Process: Domain Use Case



Cargo Insurance : Insurance Issuing Process





Cargo Insurance（Data Model）