Corda for Trade and Working Capital Finance •

The trade finance ecosystem is ripe for transformation. Banks, importers, exporters, insurers, export credit agencies and technology service providers are held back by paper-based processes and disjointed digital initiatives. Rising costs, increasing operational risks and disconnected digital islands have drawn attention the potential of blockchain to simplify trade transactions and deliver new ecosystem solutions that optimize working capital, and drive industry-wide efficiencies.

At R3, we operate at the center of a growing ecosystem of 350 of the world's leading institutions applying blockchain technology to unlock value in global trade. 60% of the world's blockchain applications for trade finance are built on our Corda platform.

Corporates, technology firms and consortia choose the Corda platform for its proven approach to privacy, fit for highly regulated markets and ease of development. Whether digitizing end-to-end documentary trade, creating new working capital solutions, or establishing new networks to optimise the transfer of trade data, assets and financing, Corda provides the platform for new applications transforming global trade processes.

c•rda

The only blockchain for business

Corda was designed to enable businesses and technology firms to build transformational applications that bring disparate organizations into sync, in real-time, over shared facts. It enables the seamless, immutable and secure transfer of assets and value between counterparties, while maintaining the highest levels of privacy and security. Corda Enterprise, the commercial distribution of Corda open source, harnesses Corda's unique capabilities and provides the enterprise support, security features, fine-tuned performance and high resilience for production environments.

Corda was designed with privacy, scalability and strong governance at its core—making it the perfect fit for businesses operating in complex and highly-regulated global markets. Corda's consensus mechanism ensures transaction finality—one reason why it is the only platform deemed acceptable by leading security standards agencies such as the National Institute of Standards and Technology (NIST)[1].

> " Blockchain is a key technology we are exploring and using with our own customers and, now, using for ourselves with the completion of this transfer on Corda. Simply put, we took a highly manual, complex transaction and made it more secure and efficient.
>
> **Rani Misra Cargill, Regional Treasurer, APAC**

1 Blockchain Compliance with Federal Crypotgraphic Information-Processing Standards - https://ieeexplore.ieee.org/document/8965252/authors#authors

Why R3 and Corda for trade?

R3 ecosystem
The largest network of trade participants providing access to banks, digitization platforms, carriers, freight forwarders, inspection agents, chambers of commerce and other trade facilitators.

Smart trade contracts
Legal representation of trade documents to automate documentary processes and execute global trade transactions faster and without discrepancies.

Simplified compliance
Reduce the pain of regulatory compliance with real time auditing in the business logic flow.

Interoperability
Corda allows the seamless transfer of assets across the value chain, with a design proven to support application interconnectivity. Connect with other Corda applications for Trade Finance, KYC, Payments, Capital Markets and Insurance to create new client experiences, products and collaborative solutions, and benefit from an open architecture that makes it possible to interoperate with other networks and ledgers in the future.

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> Using Blockchain for Procure to Pay (Digital Ventures application built on Corda) has helped our suppliers reduce their processing times by 50%, from 70 minutes to 35 minutes per purchase order. It has also speeded up invoice issuance and verification, so the procurement cycle for 1,600 items has come down to one day, from 39 days in the past.

**Thammasak Sethaudom,
Vice President for Finance and Investment,
Siam Cement Group**

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Trade use cases

Corda is being used in a variety of applications across the **trade value chain**, whether it's to transform documentary trade processes, drive real-time data in supply chain finance, power single window initiatives or drive long-tail supply chain finance, harnessing tokens. Here is a small sample of use cases being explored by Corda application builders today.
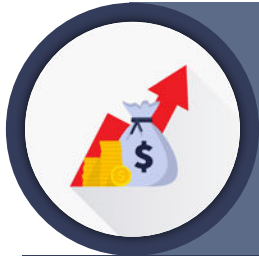
Deep tier supply chain finance
Extending finance to the long-tail of suppliers remains risky and costly. SMEs are faced with high borrowing rates. Corda applications enable new levels of transparency into SME cash flows, goods, payments and identities. Streamlined KYC and onboarding improves profitability and frees up capital. Accounts Payable can be turned into digital assets that program ownership and the flow of cash into transferable tokens that can either pay the holder at maturity, be sold on at a discount or be passed on down the supply chain to extend financing options to smaller suppliers.
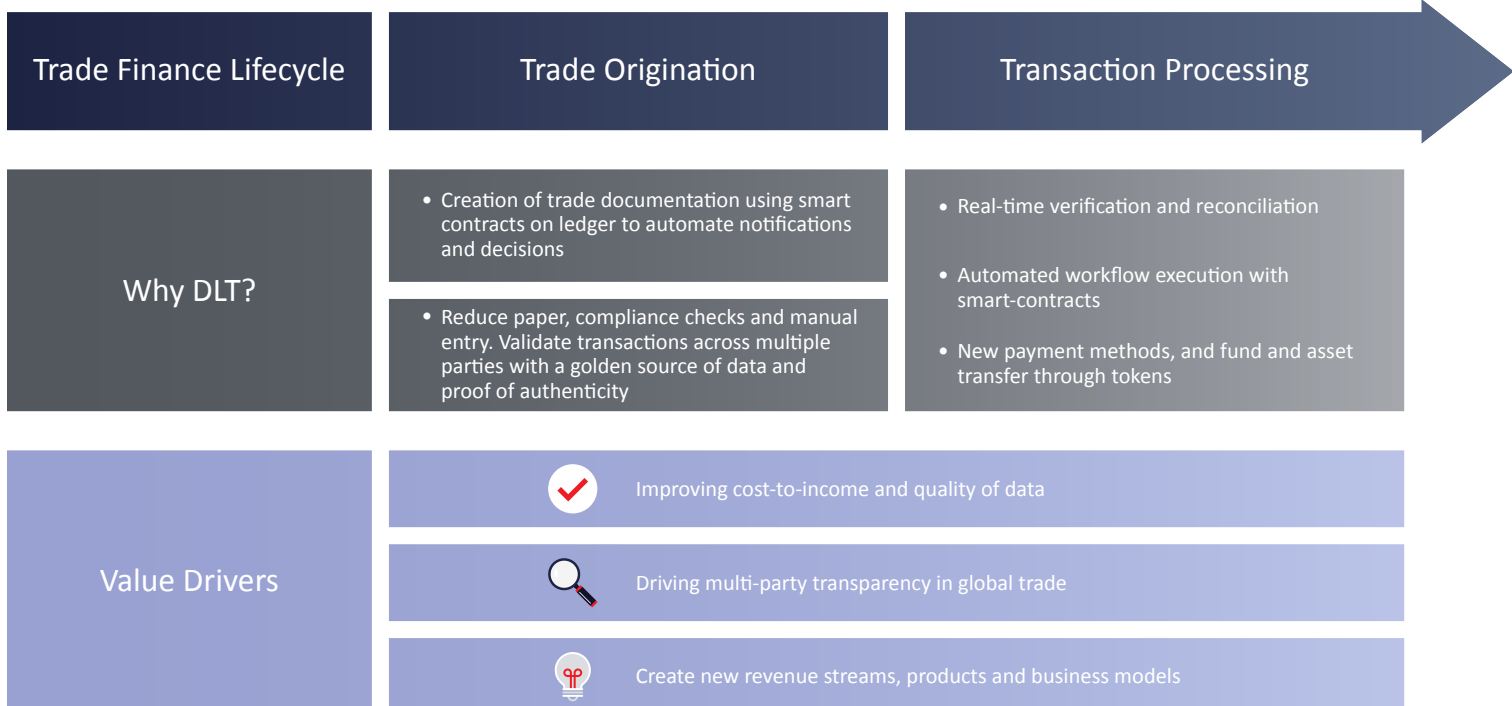
Working capital optimization
Corda applications can help to overcome the challenges of accurate data matching, reconciliation and costly integrations in receivables discounting. Corporates can optimize working capital with faster, assured payments, a reduction in paper processes, and automated matching of trade data. Other networks are exploring the tokenisation of trade finance assets to create invoice marketplaces to boost liquidity, drive investment in global trade and provide buyside transparency to build confidence in trade as an asset class.
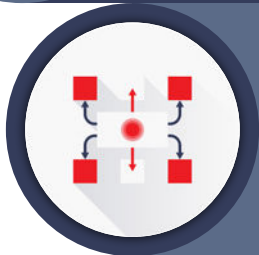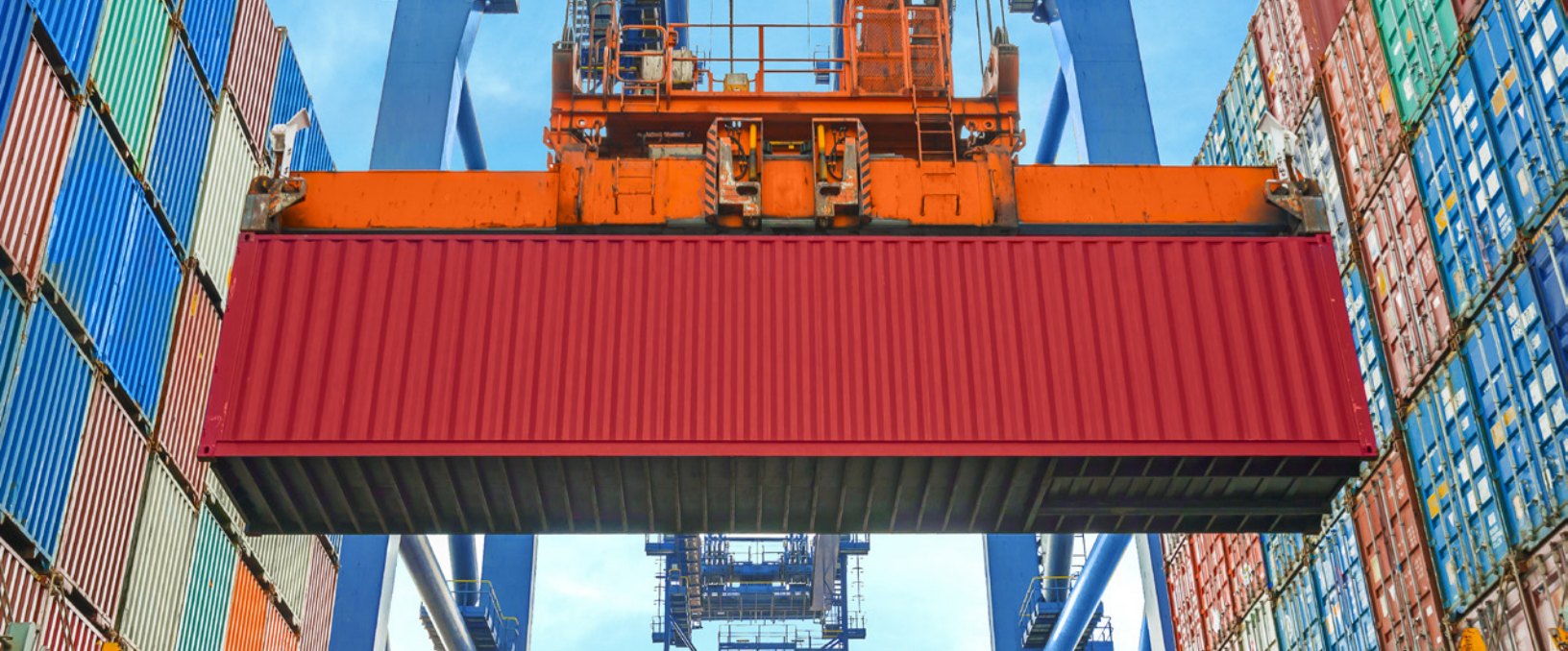
Trade facilitation with National Trade Platforms (single window initiatives)
National Trade Platforms have so far been difficult to implement. With Corda, public-led digital trade platforms can leverage distributed applications, a shared ledger, and strict privacy to deliver a single window for customs information for importers, exporters and the wider trade ecosystem. It has provided the basis for other new services such as compliance and anti-fraud tracking (e.g. invoice double-financing); invoice fingerprinting with zero knowledge checks; national collateral registries for movable assets and the verification of customs certifications and licences. Corda can also help to address the data residency requirements in such initiatives.

DLT: Enable trade digitalization with Corda

Trade Finance Lifecycle	Trade Origination	Transaction Processing
Why DLT?	• Creation of trade documentation using smart contracts on ledger to automate notifications and decisions • Reduce paper, compliance checks and manual entry. Validate transactions across multiple parties with a golden source of data and proof of authenticity	• Real-time verification and reconciliation • Automated workflow execution with smart-contracts • New payment methods, and fund and asset transfer through tokens

Value Drivers	
	✓ Improving cost-to-income and quality of data
	🔍 Driving multi-party transparency in global trade
	💡 Create new revenue streams, products and business models

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Discover why Corda is the only software platform that delivers on the promise of blockchain for business. Visit **r3.com/contact.**

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About R3

R3 is an enterprise blockchain software firm working with a global ecosystem of more than 350 participants across multiple industries from both the private and public sectors to develop on Corda, its open source blockchain platform, and Corda Enterprise, a commercial version of Corda for enterprise usage.

R3's global team of over 300 professionals in 13 countries is supported by over 2,000 technology, financial, and legal experts drawn from its vibrant ecosystem.

The Corda platform is already being used in industries from financial services to healthcare, shipping, insurance and more. It records, manages and executes institutions' financial agreements in perfect synchrony with their peers, creating a world of frictionless commerce. Learn more at www.r3.com and www.corda.net.

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