MT 798 Corporate case study on Safran

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Program

- What is SWIFTNet « Trade for Corporates »?
- How does it work ?
- Value Proposition for Corporates and Banks
- Safran experience
- Next steps?
- Questions / Answers

About GTC

GlobalTrade Corporation (GTC) is a software developer and applications service provider whose product solutions improve the world of trade finance and trade services.

GTC's @GlobalTrade technology helps **buyers, sellers, traders, and financial institutions** communicate **faster and more efficiently** to free up working capital, realize cost savings, reduce risks and improve monitoring and control.

Our Clients are:

- Corporations that need consolidated access to multiple banks and logistic providers.
- Banks that require trade finance and trade services software solutions to meet their clients' needs.

Our expertise is in multi-bank financial supply chain systems

SWIFT Ready Application for Corporates - Trade & Supply Chain Finance 2012

Full Compliance SWIFT for Corporates – Trade Finance Label

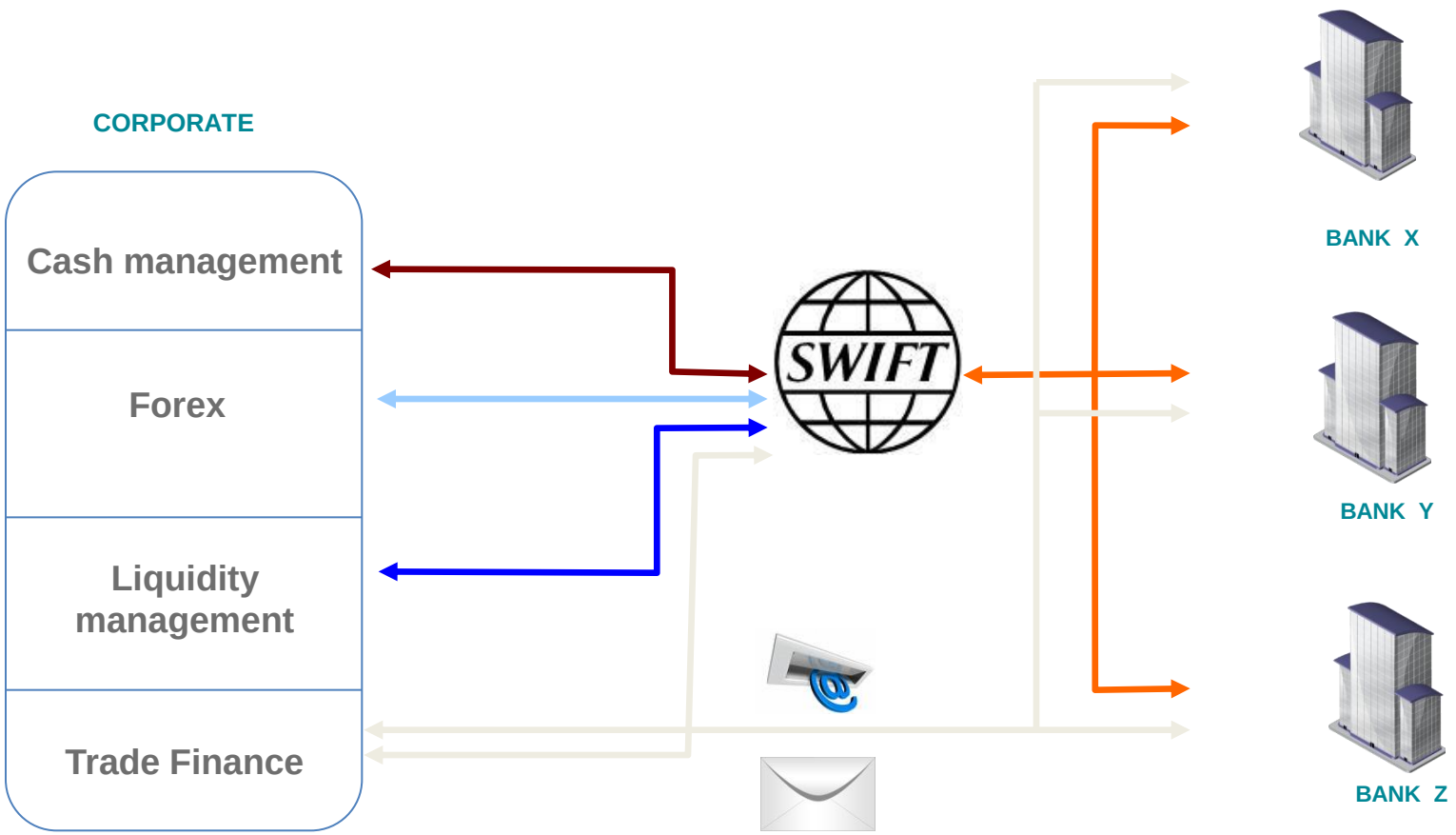
What Corporates Want From a Multibank Trade Finance System

- **Complete solution for all Trade Finance Workflows:**
  - Incoming and Outgoing Guarantees
  - Export and Import Documentary Credits
  - Export and Import Documentary Collections

- Out of the box communication with banks **via SWIFT**
- Ability to track utilization of credit facilities
- Configurable user roles and workflows
- Automatic calculation of bank fees
- Ability to configure and generate reports
- Reminders of on status changes and key transactional dates
- Functionality to collaborate on documents electronically

SWIFTNet "Trade for Corporates" : what is it for?

SWIFTNet allows Corporate clients to access the complete range of banking services of their financial partners through a single, secure and standardized communication channel.



SWIFTNet " Trade for Corporates “ : what is it for?

A new service available in SWIFTNet offer : Trade for Corporates

- SWIFTNet " Trade for Corporates " allows Corporate clients and financial Institutions to receive and to send messages from/to their banks, on their trade finance transactions via a **multi-product** and **multi-bank** channel. The concerned transactions are:
  - Domestic and international guarantees
  - Export documentary credits
  - Import documentary credits
- The proposed solution allows via the exchanges of messages FIN and FileAct:
  - Corporate to Bank:- to send to the Bank via a MT798 their requests of issuance of Guarantees, or Import documentary credits, amendments, …
  - Bank to Corporate: to convey the existing bank to bank Trade messages (MT7xx) in an envelope message MT798, enriched by data intended for the client

Market News on MT 798

- Adoption is growing of multi-bank trade technology solutions
- Interest is mainly coming from Europe and North America
- Companies that are interested in MT 798 include large corporates from Automotive, Engineering, Machinery, Trading and Energy Industries
- Adoption of MT 798 by forward thinking companies such as Safran are prompting other companies to take notice
- Majority of corporate RFPs have requirement for MT 798
- Trade banks are upgrading their back office systems to seamlessly handle MT 798
- Alliance Lite 2 improves the value proposition for corporates and should lead to faster adoption

SWIFTNet Trade Value Proposition for Corporates

Safran : Origin of the project

1- To allow companies of the group having the best **technology** to manage their banks guarantees and letters of credit.

2- To simplify the workflow, and to **reduce** repetitive and **non value added tasks** (manual reports…)

3- To **manage the relationship with banks**, thanks to a consolidated database of the whole group.

Solution chosen:

Deployment of a common monitoring tool for all companies within the group

Send/receive messages via SWIFT

Improvement of the whole information process

Thanks to SWIFTNet Trade

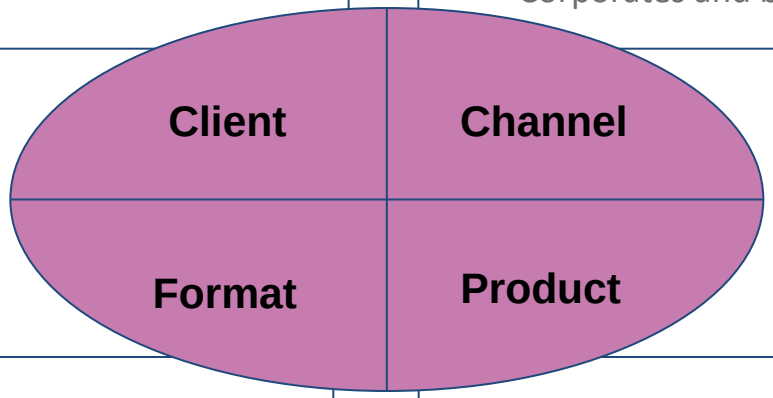
- The communication is done through a secure multi-bank channel.
- The standards used are recognized by the banks around the world.
- Safran already has an infrastructure that enables sending messages from Corporate to Banks and from Banks to Corporates.
- Trade teams learn from Treasury teams on their own SWIFT exchanges experience.

SWIFTNet Trade Value Proposition for Banks

For Crédit Agricole CIB

Meet **multi-banking trade needs** of large Corporates

Looking for a **multi-bank trade** communication channel, shared by the maximum number of Corporates and banks

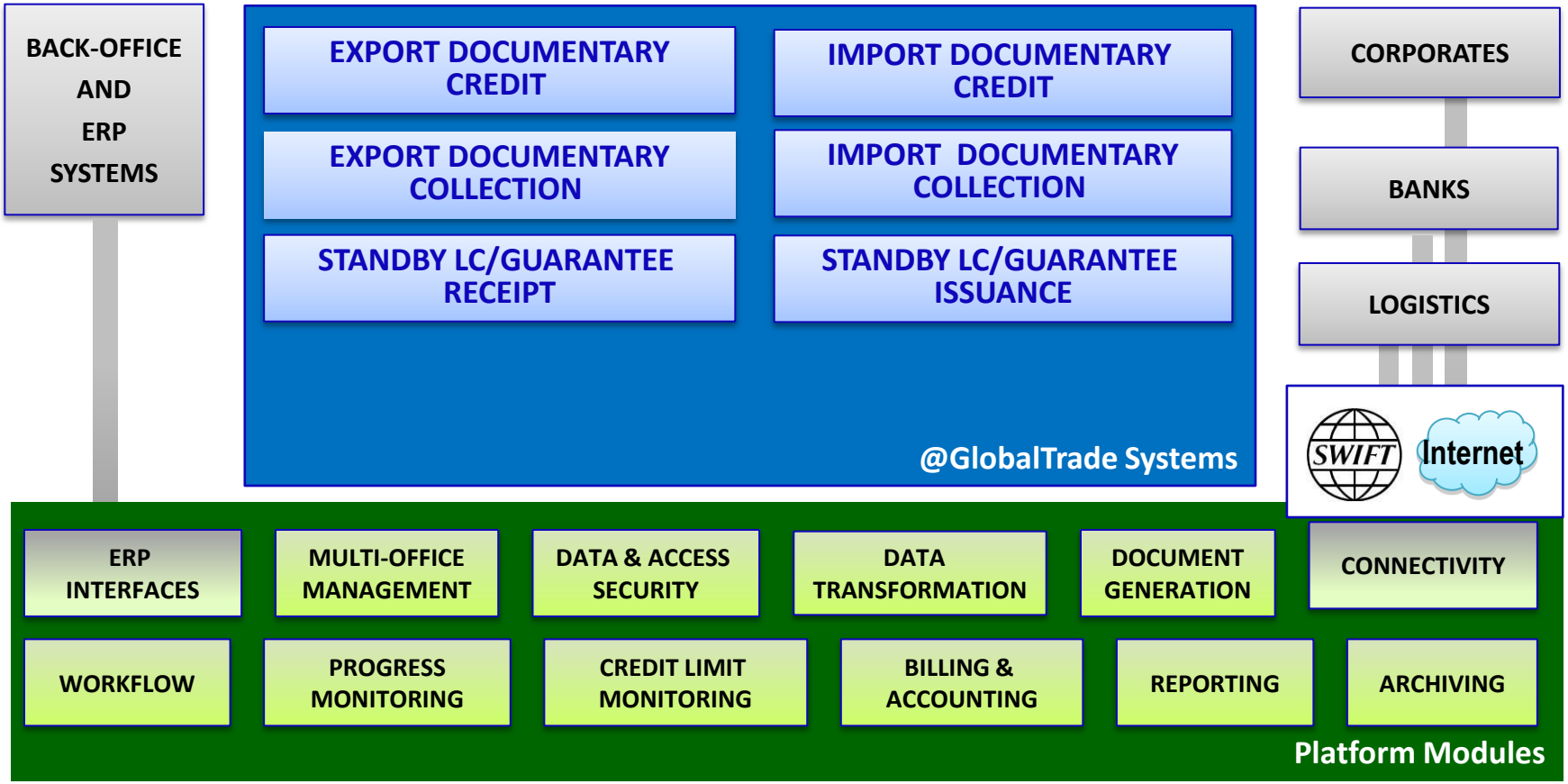


Standard messages, interoperable with Customer's Management Tool and Bank's Back-office systems

Search for a solution which covers a **complete products range** :

Cash management, Liquidity Management, Forex **and Trade Finance** (Guarantees and Letters of credit)

@GlobalTrade Multibank Platform



- web-based for global connectivity and quick deployment
- interfaces to internal and external systems
- modular architecture
- can be installed internally, or at a trusted data centre

How it works : Notification of an Export L/C via SWIFTNet

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SAFRAN AEROSPACE · DEFENCE · SECURITY

3 Issuance processing:
- Reception of MT700
- Verification of the details of the L/C
- Capture in B/O systems

4 Notification of issuance
- Sending MT798

9 Other events:
- Amendment
- Discrepancies / refusal
- Advice of payment
- Free format messages

SWIFT Platform

Crédit Agricole

5 FIN MT798

MT 798/774

MT 798/700

SWIFT

8 FIN MT798 + FileAct

SWIFT Server

Direct connectivity / Service Bureau

Managing tool @GlobalTrade™

6 Consultation:
- Automatic integration
- Consultation of the notification of CA-CIB
- Copy of the MT700

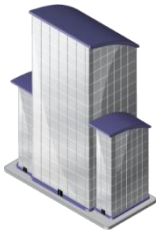
7 Message to the Bank:
- Free format message

10 Other events
- Amendment
- Presentation of documents
- Advice of payment
- Free format messages

2 Issuance of the MT700

1 Issuance request

Importer



Issuing Bank

SWIFT Bank Ready for Corporate Access 2013

SWIFTNet Trade benefits for Corporates and Banks

	SAFRAN AEROSPACE · DEFENCE · SECURITY	CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
Improved efficiency	➢ Reduction of non value added tasks ➢ Transactions automatically updated in the tool after processing by the Bank ➢ Time saving	➢ Automatic data integration in our Back-office systems ➢Authenticated messages: reduction of manual checking ➢Improvement of customer service
Better monitoring	➢Real time visibility of Trade Finance Safran Group transactions ➢ Automatic consolidation of outstanding by bank	➢Automatic update with common references ➢Simplification of stock comparison
Reduced operational risk	➢ Operations history ➢ Secured network : identification of the issuer and the receiver	➢Reduced risk of errors ➢Audit trail of the exchanged flows

SAFRAN Experience

Pre-requisites :

- **Work with a multidisciplinary project team (Functionnal, SWIFT, IT)**
- **Choose a SWIFT certified vendor and trade tool applicable to our process**

During the project:

– Internal infrastructure to check

– Change management. Support users working on new internal processes, and electronic mode

–Partnership between Safran, banks and vendor to work together on the project from the beginning

And Now?

SAFRAN
AEROSPACE · DEFENCE · SECURITY

- Last tests on going before **a GO LIVE** in France (guarantees, then L/Cs)
- Expand the use of SWIFT to **USA's banks**
- **Training of trade teams on Swift (basics)**
- Launch new implementation projects with other banks

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

- Launch new implementation projects with other corporates
- Be live on **Export L /Cs and Import L/Cs**
- Expand our offer worldwide (European market in priority)
- **Launch the study of management of commissions** for guarantees with French bank community

GTC

- Continue **innovating** in the trade finance space
- Continue **educating** the market on the benefits of SWIFT MT798

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