



Accurate matching of structured data

Benefits

- > Lower investment costs
- > Better productivity
- > Visibility of the supply chain
- > Predictability
- > Interoperability

Trade Services Utility

Helping banks meet the supply chain challenge

SWIFT's Trade Services Utility (TSU) is a centralised matching and workflow engine providing timely and accurate comparison of data taken from underlying corporate purchase agreements and related documents. The TSU supports banks' value added supply chain services such as finance programmes, cash forecasting and liquidity management. The TSU's work flow can involve one, two, or more banks.

The challenge

Banks' trade services are adapting to changing market dynamics. The value of traditional trade instruments continues to grow and they remain a key element of bank service portfolios even though they represent a falling percentage of global trade.

Corporate demand remains strong, however, for individual aspects of traditional trade services, such as document comparison, discrepancy identification and dispute management, compliance, foreign exchange hedging, pre and post-shipment financing.

Frequently, these services require an exchange of data between the buyer's bank and the seller's bank. The TSU meets this need. It compares structured data from the two primary banks and advises them of inconsistent data. Additional banks can be involved in TSU transactions, too.

The response

The TSU complements the delivery of new supply chain financing solutions. Its 'Bank Payment Obligation' is an irrevocable conditional obligation from one bank to pay another bank. The 'Notice of Intent to Pay' message is an information message indicating one corporate's intent to pay another corporate. Together, the two provide a strong backbone for pre-shipment and post-shipment financing.

How the TSU adds value to your supply chain finance offering

TSU features	Benefits for bank	Benefits for corporate
Two data sources increases confidence	Increases comfort, reduces risk and increases appetite	Better price and/or higher credit limit
Detailed data matching	Reduces number of discrepancies in commercial documents	Increases timeliness of access to funds
Notification to bank of complete events and required actions	Provides service trigger points	Funding at confirmed stages

Beyond the delivery of financing solutions, the Trade Services Utility also complements banks' evolving supply chain strategies focusing on liquidity management and processing efficiency.

The identification of trigger points along the supply chain creates the opportunity for banks to provide a variety of value-added services linked to the optimisation of the corporate's cash conversion cycle.

Examples include the in-sourcing of accounts payable/receivable and/or account reconciliation, cash forecasting and a variety of risk mitigation services. The delivery of these and other services may be done on a phased basis, according to the needs of the individual corporate.

TSU XML messages, formally called TSM ISO 20022 messages, include purchase order, invoice, transport, insurance and certificate data. The TSU handles only data, not electronic versions of paper documents. This accommodates the present paper world, and allows banks to build new services using only the necessary subset of important data.



Bank Services based on the the TSU

Business benefits – what the TSU can do for you:

- Lower investment costs:
Banks use a shared matching engine with structured messages, avoiding the cost of building and maintaining individual, in-house matching engines.
- Better productivity:
TSU reports allow skilled staff to handle identified discrepancies, not find them.
- Bank visibility of the supply chain:
With knowledge of the corporate transaction's trigger points, banks can provide supply chain solutions to enhance process efficiency and improve liquidity management.

- Predictability:
Structured data, messages and work flows, supported by a clearly defined Rulebook provide predictability. The TSU's transaction identifier is an industry wide reference for single corporate purchase agreements.
- Interoperability:
The expanding, global community of TSU users permits new inter-bank working relationships, facilitating both collaboration and competition.

Training

The SWIFT Training course *Understanding TSU messages and flows* details usage of the TSU and related standards and workflows.

Enablement

SWIFT's TSU-Interface makes start-up quick and easy. It can be used on a standalone basis to support low volume processing, testing and training.

Additionally, SWIFT partners provide a variety of TSU-enabled software packages, as do a number of TSU banks.

SWIFT's Partner Management team

offers formal accreditation to software partners who can demonstrate their ability to complement SWIFT products and services functionally and technically in order to provide integrated business solutions to the SWIFT user community

For more information please contact your SWIFT account manager or visit www.swift.com