



Trade Finance



About us

Fintra is a provider of Trade Finance solutions which comprehensively meets the requirements of Banks, Financial Institutions and their Clientele to promote global and domestic Trade Finance activities. The product is dynamic and has a high degree of configurability that enables Institutions to take care of the varied needs of their Clientele. The modern State of the Art technology deployed by us enables scalability and huge volumes as also integrating with other niche solutions through standard APIs. At Fintra, we primarily aim to develop and market the best of Trade Finance products for Banks and Bank clientele driven primarily by Quality, Ease of Access and effortless Navigation

Overview of our Trade Finance product:

With the need for greater speed and lower TAT for accomplishing Trade Finance transactions, and additionally compelled by reducing margins due to acute competition, banks need a structure whereby the costs are low and the benefits given to customer are higher. Besides, the complex global business environment dominated by various statutory compulsions calls for continuing paper based transactions and compliance to country-specific statutory requirements.

This follows that Banks bolster their efficiencies substantially which can be achieved through a unique product which provides typical Trade Finance services such as Letters of Credit, Guarantees, Collections and Discounting of bills. Besides, it should support handling of niche products which help the Banks maintain edge over competition such as Open Accounts, Supply Chain Financing, There is also urgent need to avoid repetitive work and high degree of automation.

Need for change in product composition and mix:

- ▶ While the banks are able to meet the basic requirements of manually achieving various requirements of the clients, there is additional expectation on them to improve their processes, introduce automation and share more information with the clients.
- ▶ Banks currently achieve transactional information as part of their Core Banking solutions without having dedicated Trade Finance modules.

Existing Solutions for Trade Finance:



Trade Finance transactions as part of Core Banking Solutions: Banks use their existing Core Banking software to meet their trade needs, which cannot withstand the data intensive requirements of a typical Trade Finance transaction. This results in non-capture of critical additional data elements and information which affects the statutory and reporting requirements of the bank.



In-house Applications: Some Banks have developed and use their own in-house solutions to meet their requirements. These do not meet their comprehensive requirements. In most of these cases, document management and reporting requirements are not met.



Exclusive third-party solutions: Some Banks have sourced exclusive Trade Finance solutions. While these Solutions address the above-mentioned two aspects, the rigidity of most such products to meet the exclusive bank specific and region specific requirements, as also the reluctance of the Solution owner to customize the product leaves the banks wanting in their quest to achieve their desired output and quality.



Lack of Customer-centric features: More than 75-80% of the Solutions on Trade Finance do not offer customer front-end to their clients. Those which have customer front-end also do not have a comprehensive solution for all the needs of the customer.

FINTRA's Trade Finance solution is a panacea for all these limitations. It takes care of exhaustive capture of data elements, statutory requirements, customer front-end, storage of documents and transmission of document images from customer to Bank and vice-versa. It is flexible enough to enable addition of bank's new requirements by way of bank-specific customizations as also mask bank-specific product features from rest of the Industry.

Areas where FINTRA addresses the challenges of the current day environment in TRADE FINANCE:

| Area of activity | Challenges faced by bank | Fintra's solutions |
|---------------------------------|---|--|
| Receiving customer requirements | The customer requirements are manually received by way of physical documents | Customer can initiate transaction online and submit data to bank on the GO by uploading scanned images. Physical documents can follow, but Bank need not hold processing till they are received. |
| Data input | After receiving documents, lot of data input is required | The data submitted by customer is available for vetting and processing. |
| Bank guidelines | Manual compliance of bank guidelines for exception processing | Exception processing can be flagged and appropriate alerts generated |
| Regulations | Manually handled to meet requirements of each authority | Fintra enables pre-configured reports which can be transferred to the Statutory authority |
| | | |
| Repetitive transactions | Consumes lot of time | Fintra enables repetition of similar transactions to save for the users thus avoiding monotony. |
| Resource management | Bank needs to position at least one Trade Finance resource per active branch | FINTRA software can enable customers as well as branches to input basic data which does not call for expertise and rest of the processing can be done at the dedicated Trade Finance cell of the bank. |
| Trade Finance know-how | All the resources need to be abreast with knowledge required | Subject know-how can be restricted to limited few who actually process the transactions. |
| Automation | Lack of automation and need for repetitive activities | Enables automation by which both the bank and customers save on input and ensures greater communication and transparency |
| Email/SMS/Advices | Need to send specific emails/sms | Emails/sms/Advices can be linked to transaction processing and triggered automatically |
| TATs/SLAs | Cannot be tracked scientifically | TAT for specific transactions can be defined and missed TATs/SLAs can be tracked. Besides email/sms alerts can be sent |
| Authorization | Authorization matrix cannot be defined and the standard maker-checker process need to be followed | Enables transaction-specific configuration of Authorization Matrix which gives greater degree of security to the bank and client. |
| SWIFT | SWIFT transactions need to be individually triggered | SWIFT messages are auto triggered from the system. Incoming messages can also be processed by transfer of data. |

Fintra Solution for Trade Finance:

Fintra comprehensively supports the following basic features:

- ▶ Letters of Credits with end-to-end life-cycle flow from Issuance to Closure of Letter of Credit
- ▶ Collections, Open Accounts, Supplier Finance, Buyer Finance, Avalization
- ▶ Invoice/Bill discounting, Pre-shipment Advances, Conversion of Collection to Discounting
- ▶ Outward and Inward Guarantees, Deferred Payment Guarantees, Shipping Guarantees
- ▶ Client front-end for all the above-named activities

Key highlights of the Solution:

- ▶ Straight through processing – Transactions initiated by customer online can be picked up and further processed at the bank. Similarly, Acceptances etc. sought by the bank can be processed and responded by the customer online without initiating new work-flow.
- ▶ Integration with Core Banking – Checking availability of Limits for LCs, Guarantees, Discounting of Bills. Also, Available account balances can be validated before completing the transactions thus ensuring that the transactions are subject to availability of funds
- ▶ Comprehensive Authorization Matrix across multiple user categories transaction-wise and ability to define based on amount slabs.
- ▶ Configurable definition of TAT and triggering email alerts for SLA violations.
- ▶ Integration with third-party systems such as Document Management, ALM, Treasury can be enabled.
- ▶ Online-real time posting of transactions to Core Banking and transmission of SWIFT messages can be subject to successful posting of transactions
- ▶ Amendment of LCs and Guarantees with traceability where Reviewer/Approver can distinguish between original and modified data before authorizing the transaction.
- ▶ Legal suspension of Guarantees for indefinite period ensuring that Guarantee claims are not honoured by mistake
- ▶ Maintenance of various Masters for customer, counterparty, Banks, Insurance companies etc.

Other technical features:

- ▶ Dynamic search based on multiple data-elements criteria such as name, address, location etc.
- ▶ Configuration of Swift messages without dependence on vendor
- ▶ Multi-currency posting to Core Banking
- ▶ Auto-detection of discrepancies by comparing with LC requirements
- ▶ Reference No. configuration at transaction level
- ▶ Single display of error-checklist for transactions
- ▶ Swift compatible fields and data-elements
- ▶ Charge deferral and subsequent realizations
- ▶ Auto-recovery of periodical fee
- ▶ User-friendly dashboard for Work-list, Authorizations, Forex rates, Swift messages

Process Flow:

The end-to-end flow of an automated Trade Finance transaction is outlined hereunder:

Transaction initiation

- ▶ Transaction specific initiation
- ▶ Reference No. generation
- ▶ Document upload
- ▶ Check-list and Validations
- ▶ Submission to Trade Desk

Trade Desk processing

- ▶ Review transaction request
- ▶ Addl. Check-list and Validations

Scrutiny

- ▶ Scrutiny of documents
- ▶ Margin management
- ▶ Statutory compliances
- ▶ Auto calculation of fee

Trade Desk review

- ▶ Pre-view Accounting Entries
- ▶ Pre-view Swift Messages
- ▶ Pre-view Customer Advices
- ▶ Transaction submission

Approval

- ▶ Comprehensive review of transaction
- ▶ Trigger rule-based Authorization matrix
- ▶ Final approval & accounting entry posting
- ▶ Generate final Swift messages

Servicing

- ▶ Advise Customer through email/sms
- ▶ Enable customer view of transaction
- ▶ Transaction history



We shall be glad to answer your queries

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