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HSBC Completes First Batch of Live Pilot Trade Finance Transactions on eTradeConnect Blockchain Platform

****Digitised trade loan applications ****

****Application-to-approval times pick up pace in live pilot transactions – reduced from 1.5 days to 4 hours ****

**** Increased efficiency and transparency of trade finance transactions ****

HSBC successfully completed its first batch of live pilot trade finance transactions on eTradeConnect – the newly launched blockchain platform co-funded by seven banks and facilitated by Hong Kong Monetary Authority. The Platform enhances efficiency and transparency by digitising trade documents and automating trade finance processes leveraging the unique feature of blockchain.

Among the first batch of pilot transactions was the purchase of supplies by Pricerite Home Limited (Pricerite), a furniture and household goods retailer, from its supplier Pro Logic International Ltd. The transaction involved a purchase order and invoice as well as proof of delivery which was created, exchanged and confirmed on the eTradeConnect platform. Pricerite was able to submit a trade finance request directly to HSBC based on the documents uploaded on to the platform.

HSBC also completed a pilot trade finance transaction in this first batch in the same manner for Mainetti (HK) Limited, a global manufacturer of garment hangers and packaging products, together with Standard Chartered Bank whose customer was at the other end of the transaction.

The eTradeConnect platform is built on blockchain and allows buyers and sellers to create, exchange and confirm purchase orders, invoices and applications for financing on a single interface in real time and share information on a “need-to-know” basis, increasing visibility of transactions.

Diana Cesar, Chief Executive, Hong Kong, HSBC, said, “Hong Kong has an important role to play in reshaping how global trade is financed. Trade finance has been a heavily paper-based industry with transactions worth over US\$9 trillion in 2017. The eTradeConnect platform provides our customers an improved digital experience, including faster turnaround times and a way for each participant to see the steps involved from purchase order to financing. HSBC is committed to helping our customers run a more efficient business by combining best-in-class technology solutions with our international trade knowledge.”

Commenting on the speed and benefit of eTradeConnect, Vivek Ramachandran, Global Head of Innovation and Growth, Commercial Banking at HSBC, said: “This digitised process means that application-to-approval times are now materially reduced from 1.5 days to roughly 4 hours, making trade simpler and swifter for Hong Kong businesses.”

“eTradeConnect is yet another milestone in the evolution of commercialising blockchain globally. As one of the co-funding banks supporting this innovative platform, we are looking forward to having more transactions using eTradeConnect” concluded Ramachandran.

“We are very pleased to be amongst the first corporates to complete a live transaction on eTradeConnect. Blockchain has transformed a cumbersome, complex process into a simpler but more secure and efficient way of conducting trade. Pricerite, as the first home furnisher to pursue New Retail business model in Hong Kong, is actively adopting various technologies to enhance our efficiency and bring fresh new shopping experience to our customers. We look forward to seeing more participants join the ecosystem, so that we can further drive activity on the platform with our suppliers in Hong Kong and globally,” explained Dr Bankee Kwan, JP, Chairman of Pricerite.

Built on permissioned blockchain technology using Hyperledger Fabric 1.1., eTradeConnect is the first large-scale multi-bank blockchain project in Hong Kong. The platform was developed as a result of one of the Hong Kong Monetary Authority’s proof-of-concept works on trade finance in 2017. With the use of blockchain, financial institutions and trade facilitators are able to provide value-added services to corporates on the platform. This technology has the potential to enable corporates interact with other trade facilitators such as logistic service providers and insurance companies on eTradeConnect and link up with suppliers and buyers across border.

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Note to editors:

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