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HSBC COMPLETED CROSS-BORDER TRADE FINANCE TRANSACTIONS LEVERAGING CONNECTIVITY BETWEEN eTRADECONNECT AND PBCTFP

HSBC has completed the first batch of cross-border trade finance transactions leveraging the phase 2 connectivity between Hong Kong's eTradeConnect and The People's Bank of China Trade Finance Platform (PBCTFP).

As participating banks in both Hong Kong and mainland China, HSBC Hong Kong and HSBC China have already arranged trade financing for a number of companies engaged in import and export trade in the Greater Bay Area, including Asia Global Logistics (HK) Limited and Smart Chain Enterprises Limited in Hong Kong. The funding will support the former in arranging logistics required for its import business; and the latter in general operation for its supply chain management service.

Enabled by the enhanced connectivity, HSBC is able to complete the cross-border transactions real-time in a paperless manner and streamline the end-to-end process from application to loan drawdown.

Frank Fang, Head of Commercial Banking, Hong Kong, HSBC, said: "Deeper connectivity between eTradeConnect and PBCTFP would enable cross-border transactions to become more secure, convenient and transparent. Banking institutions can also benefit from better control and risk management while providing businesses with cross-border trade financing. HSBC is pleased to participate in the phase 2 connectivity in both Hong Kong and mainland China, supporting stronger cross-border trade flow under China's dual circulation strategy."

Operated by the Hong Kong Trade Finance Platform Company Limited, eTradeConnect is a blockchain-based trade finance platform that aims to improve trade efficiency riding on the cutting-edge distributed ledger technology. Along with PBCTFP that was also launched in September 2018, both platforms make use of blockchain technology to create a reliable and convenient international trade financing environment for import and export enterprises and financial institutions.

HSBC is committed to leveraging financial technology to meet customer needs in cross-border trade, and actively supporting the construction of platform

infrastructure. In late 2020, HSBC completed Hong Kong's first pilot end-to-end digital trade finance transaction riding on the connectivity between eTradeConnect and a customer's Enterprise Resource Planning (ERP) system. Earlier, the Bank also completed mainland China's first cross-border Letter of Credit (LC) blockchain transaction, and the world's first cross-border RMB-denominated blockchain-based LC transaction.

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

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