

press release

Standard Chartered announces a successful proof of concept leveraging Distributed Ledger Technology in Trade Finance

Hong Kong, 30 March 2017 – Standard Chartered Bank (Hong Kong) Limited today announces the successful completion of a proof of concept (PoC) delivering Distributed Ledger Technology (DLT) and the use of smart contracts for Trade Finance to bring an ever better customer experience, enhanced operational efficiencies, and reduced potential frauds for financiers, importers and exporters. Standard Chartered is the lead bank of the DLT Trade Finance Working Group under Hong Kong Monetary Authority’s Fintech Facilitation Office, collaborating with Deloitte Touche Tohmatsu Limited and four other banks in Hong Kong.

This PoC marks a significant milestone in the digitisation journey of trade finance. The DLT platform prototype is the foundation for an open eco-system for multiple parties in trade finance. The features of DLT real-time data update and the transparency between intermediaries can help importers and exporters mitigate payment and non-performance risks respectively; reduce cost through document digitisation and automate labour-intensive processes through smart contracts. Moreover, other parties including freight forwarders, banks, regulator and government can also benefit from enhanced operational efficiencies as a result of the shared information on the platform and the reduced risk of fraudulent financing through duplicate financing detection. The PoC project scope also covers the consideration of the commercialisation, potential business, operating and governance models when adopting the DLT solution.

Gautam Jain, Global Head, Digitisation and Client Access, Transaction Banking, Standard Chartered, said: “At Standard Chartered, we firmly believe that we can leverage DLT to transform today’s Trade Finance solutions, and deliver improved efficiency and greater transparency to our clients and their ecosystems. We see significant potential in the application of Smart Contracts in Trade Finance and will continue to work with industry partners and regulators to make this a reality in the near future.”

Standard Chartered's Regional Chief Information Officer, Greater China and North Asia, **Peter Clark**, said: "Standard Chartered is committed to using new technology to facilitate new business models to bring more convenience to clients. DLT in Trade Finance is not just about digitising the processes, but also standardising the data models and enabling more collaboration among industry participants. We would like to thank HKMA for its strong support for this PoC project. As a leading bank in Hong Kong, we will continue with our greatest efforts to drive innovation and shape the future of Banking."

In the next phase of the project, Standard Chartered will be looking at inviting clients and a number of intermediaries to join the pilot stage. Apart from driving the DLT Trade Finance Working Group, the Bank has also participated in other FinTech PoC projects initiated by HKMA, including Digital ID Management and Mortgage, to support the FinTech development in Hong Kong.

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Standard Chartered

We are a leading international banking group, with over 80,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the Hong Kong SAR's three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.

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