

Transaction Banking

# BANKABLE INSIGHTS



Issue 1, 2025

## In this edition

### New era of tariffs

What does navigating this increasingly complex global trade environment require?

### Flight plan to profit

Find out what it takes to go beyond the air travel boom.

### Tomorrow's treasury

Chris McLaughlin from Trafigura shares the biggest opportunities and trends of tomorrow.



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# Foreword

With global trade getting reshaped again by a surge in tariffs, businesses today face mounting challenges – risk management, interest rate fluctuations, foreign exchange volatility, liquidity constraints, and operational resilience. To stay ahead, treasuries must evolve, leveraging cutting-edge technologies to enhance control, efficiency, and decision-making.

At Standard Chartered, our blueprint for tomorrow is built on world-class platforms, talented people and strategic partnerships that empower clients in their transformation journey. We are embracing real-time treasury and payments, artificial intelligence (AI), digital trade, supply chain optimisation, and the execution of blockchain-based solutions – reshaping financial flows and operational strategies.

In this edition of Transaction Banking Bankable Insights, we examine the impact of US-led tariffs on global trade, proposing adaptive strategies that can be put into immediate action. We explore how centralised treasury models, innovative payment systems, and integrated retail strategies can help sustain profitability in aviation, an industry known for its tight margins.

Client stories take the centre stage, as we look at Thai Airways' treasury transformation across 14 countries, and how an API-based solution streamlined Trafigura's payments to reduce processing times by over 70 per cent. We also spoke to a industry practitioner for his perspective on the future of treasury, role of blockchain and AI, and critical skills for the adaptive treasurer.

These insights illustrate how platforms, people, partnerships, and proactive strategies are shaping a resilient and innovative future for treasury and transaction banking.

Welcome to the refreshed Bankable Insights. Please get in touch to explore your blueprint for tomorrow – together.



**Michael Spiegel**

Global Head of Transaction Banking,  
Standard Chartered

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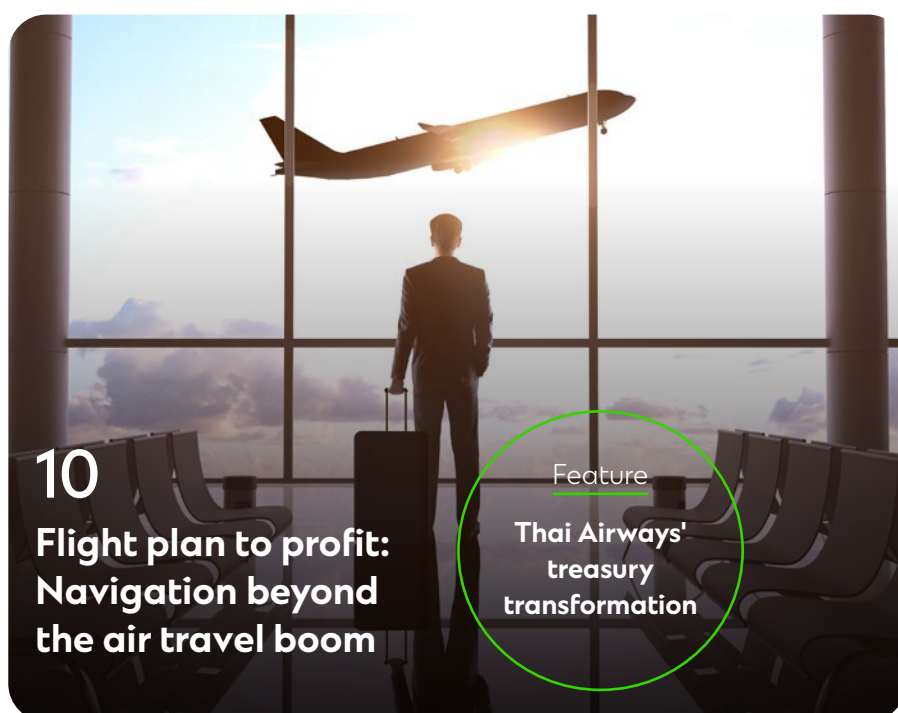
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# Navigating a **new era** of tariffs



**Global trade will likely be reshaped by a surge in tariffs as the United States, the world's largest economy, signals a shift towards more restrictive trade policies.**

The latest US stance on tariffs includes imposing **a minimum 10% tariff** on all countries with some nations hit significantly harder than others. This means that Asian economies that have previously been sheltered from the US-China trade war will potentially be drawn into their own conflict with Washington, causing significant pressures on global supply chains, operations, liquidity, and revenues than ever before.

Some of the world's largest exporters have been hit by **steep levies** with **corresponding retaliatory actions**.

Navigating this increasingly complex global environment requires companies to adopt a multifaceted and proactive strategy to reduce exposure to tariff-related risks and ensure resilience in their supply chains.



## Adapt, diversify, and optimise: Strategies to mitigate risks and strengthen resilience

Organisations, and the financial institutions supporting them, that take early, proactive action to adapt to tariff changes, diversify their supply chain and optimise their operations and financials, will likely be in a stronger position to weather volatility and potentially even gain a competitive advantage, if they can navigate such complexity effectively.

### Adapting to a dynamic trade regime

In many ways, organisations today are better equipped to navigate the challenges

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**For financial institutions, this means we must have a deep understanding of our clients’ business model and the markets they operate in and with to support them in mitigating the overall impact through suitable solutions.”**

**Michael Spiegel**

Global Head of  
Transaction Banking,  
Standard Chartered

posed by tariffs, thanks to the valuable lessons learned from trade disruptions in the not-too-distant past, such as the COVID-19 pandemic and the US-China trade tensions of 2018. These events have changed the playbook in terms of supply chain management and have pushed organisations to factor trade volatility into their long-term strategic planning and risk management frameworks.

With the imposition of fresh rounds of tariffs decision-makers must thoroughly assess the sensitivity and exposure of their businesses to them. Exporters, for example, should gain visibility across the entire supply chain, including second- third- and fourth-level suppliers, to identify potential vulnerabilities and take necessary action.



Mapping exposures effectively requires high-quality data, and digitalisation with the aid of tools like artificial intelligence (AI) is an ideal strategy to aid faster and more accurate data gathering, analysis, and interpretation. AI-powered solutions can monitor supply chains in real time to provide insights into potential risks and opportunities impacting not only a business but its supplier network across the supply chain. AI can also enable predictive modeling to forecast how different tariff scenarios might impact supply chains and financial performance, allowing for proactive planning.

New tariffs may also portend changes to the regulatory landscape, such as tax and financial regulations, as governments adjust import duties, tax incentives, or subsidies for domestic industries, to offset the impact of tariffs. The period following the introduction of new tariffs can be confusing and for organisations to remain on top of these changes, access to timely and relevant intelligence from their finance and logistics partners, for example, will be key to ensure compliance across the supply chain.

## Diversifying supply chains to cushion impact

The pandemic and previous trade tensions between China and the US have exposed the [risks of concentrated supply chains](#), prompting many companies to expand their manufacturing capabilities to [markets like ASEAN](#) as part of their China+1 strategy. This has helped companies mitigate against US tariffs on Chinese exports to an extent by shifting some production to economies that face lesser restrictions.

The appeal of this tariff arbitrage strategy may increase with the US adding a broad range of tariffs – including [over 100% on Chinese goods imports](#) (as at 9 April 2025). Because while nearshoring and shifting production to other lower-cost countries, or sourcing a network of alternative suppliers takes time to implement, they eventually allow for greater flexibility amid continued trade.

Yet, while tariff arbitrage could potentially minimise the impact of new tariffs, it requires careful navigation of legal frameworks. As they begin to trade with entities in new markets, businesses and their bank partners must ensure they are compliant with local, regional, and international regulations to avoid costly mistakes.



## Optimising cash flow and operations

Tariffs increase costs, hurting margins and revenues. Companies can mitigate these effects with the use of advanced analytics, including AI, to identify areas of inefficiency and cost-saving opportunities within their operations. These could include optimising working capital, liquidity and cash flow, inventory management, and other functions across the supply chain.

Bank partners like Standard Chartered have a crucial role to play in bolstering financial resilience by offering a range of trade financing solutions such as Letters of Credit, Factoring, and Supply Chain Finance. With the potential for payment disruptions, trade financing can help companies extend competitive financing solutions to its suppliers to ensure supply chain continuity, whilst protecting themselves from potential cash flow issues that may arise from late payments. Exporters can also work with bank partners to leverage solutions like currency hedging and forward contracts to mitigate rising costs and exchange rate fluctuations.

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**There's already evidence of the acceleration of supply chain diversification across emerging trade corridors, such as from Asia to the Middle East and Asia to Latin America. What will be key is the ability to tap into these emerging trade corridors.”**

**Madhur Jha**

Global Economist and Head,  
Thematic Research,  
Standard Chartered



In addition, savings from automating customs processes and compliance can help boost profit margins. E-documentation, for example, [reduces paperwork](#), lowers costs, and speeds up the process of exporting goods across borders while blockchain-based solutions can offer a transparent and secure system for tracking goods as well as enable fast and hassle-free access to working capital across supply chains.

## Navigating with agility and foresight

Although the full extent and impact of US tariffs and their countermeasures remain uncertain, and perhaps subject to rapid change, organisations must be flexible and adopt a multi-disciplinary toolkit to navigate challenges and opportunities effectively.

Companies as well as the financial institutions supporting them can best protect their business interests by focusing

on strategies within their control. By embracing digital tools, diversifying their supplier base, and leveraging financing and hedging tools, companies can navigate these complexities with agility and foresight.

Partnering with a trusted global bank like Standard Chartered with a wide range of capabilities – from payments to digital trade solutions and financing – enables companies to gain access to valuable insights and solutions that can help anticipate and manage risks effectively and develop strategic responses to current and emerging trade challenges.

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Listen to the Macro Freestyle podcast, "Trade wars and stagflation risks", for Standard Chartered's perspective on the dynamic and ever-changing situation. Tune in via [Apple](#) and [Spotify](#) Podcasts.

# Global Round-up

Our latest updates from all around the globe.

## 2025 TMI Awards

We were honoured with 8 awards at the 2025 Treasury Management International Awards, recognising excellence in cash and liquidity management, supply chain finance, and sustainable finance – a testament to the Bank's expertise and our strong client partnerships.

## Adam Smith Awards Asia 2024

Castrol and Shell were recognised for Best-in-Class Treasury and Risk Management solutions respectively. These wins underscore our partnership-led approach and commitment to delivering scalable and innovative solutions through our network and in-market experts.



## ESG-linked Cash Account launched

We introduced a new ESG-linked Cash Account for corporate clients, rewarding them for meeting material ESG-related targets. Following its launch in Hong Kong and Singapore, the solution will be rolled out across the Bank's global network.

## HKD-backed stablecoin JV announced

In partnership with Animoca Brands and HKT, we are establishing a joint venture to issue a HKD-backed stablecoin. As participants in HKMA's sandbox, the JV aims to bridge Web3 and traditional finance, and is positioned to be among the first issuers in the region.







### LIBF accreditation for Standard Chartered Trade Institute

Our flagship client training programme Standard Chartered Trade Institute has received full accreditation from LIBF (formerly the London Institute of Banking and Finance), making it the first programme of its kind to achieve this recognition and reinforcing our leadership in trade finance.

### Liquidity transfer on blockchain

In collaboration with Ant International, we successfully completed SGD and HKD-denominated liquidity transfers on the blockchain-based Whale platform – a significant step toward instant, 24/7 treasury management.




### New India CEO

P.D. Singh has been appointed CEO for India, effective 1 April 2025. As India remains one of our largest markets, his leadership comes at a pivotal moment to capitalise on growth opportunities.



### SC PrismFX

We launched SC PrismFX, a cross-currency transactional FX solution suite designed for banks, non-bank financial institutions, paytech firms, and corporate clients. It unifies the Bank's transaction banking, financial markets, and digital capabilities under one brand name to deliver a robust transactional FX solution enabling FX payments in 130+ currencies across 40+ markets.



# Flight plan to profit: Navigating beyond the air travel boom

## Pre-flight briefing: The profitability challenge

The airline industry is on track to exceed [USD1 trillion in global revenues](#) this year, demonstrating a robust recovery following the pandemic. Yet profitability remains challenging, constrained by escalating fuel costs, persistent inflation, and operational inefficiencies. While advancements in personalisation of services, digital booking and smarter loyalty programs bolster growth, treasury operations are emerging as the linchpin for financial stability. For treasury professionals, the opportunities are clear: optimise liquidity and cash buffer, reduce transaction costs, and align with revenue strategies to fortify airlines against a volatile market. So, how can this be done? Centralised treasury models, payment innovations, sustainable practices and integrated retail approaches can each play a role in transforming financial performance.

## Flight command: Centralising cash flow

Airlines generate substantial daily cash inflows from ticket sales, ancillary fees, and inflight transactions, yet fragmented management across multiple accounts, currencies, and markets often undermines liquidity. Decentralised treasury structures – subject to local banking challenges, currency controls and fluctuations – create visibility gaps, idle balances and hamper effective deployment of surplus cash. Centralising treasury operations consolidates these pools, reducing operational complexity and minimising the need for costly short-term borrowing.

A key enabler of this transformation is the rationalisation of banking relationships and account structures. Airlines often maintain multiple banking relationships across markets, leading to numerous accounts, higher fees, and operational overheads.

By reducing the number of physical accounts, airlines can improve cash visibility, reduce administrative burden, and lower banking costs. Virtual accounts can be pivotal here – not only does it help speed up reconciliation by identifying payers associated to an unique virtual account number, it also enables treasurers to monitor and allocate funds without establishing physical accounts in every market. This results in streamlined operations and enhanced liquidity management.



Foreign exchange (FX) management presents another critical opportunity, particularly in fuel cost optimisation. Aviation fuel, priced in USD, is one of the largest operating expense for airlines. However, revenue collected is often in multiple currencies, exposing airlines to FX volatility. By leveraging centralised cash management and technologies like Artificial Intelligence (AI), airlines can forecast cash flow and currency mismatches more accurately, and implement proactive hedging strategies to stabilise costs. Furthermore, solutions such as SC PrismFX offer a way to automate FX flows through a centralised payment process, which expands the currency outreach, increases the efficiency in reaching beneficiaries, and optimises cash balances, leading to simplification and overall cost savings.

## Jetstream journeys: Modernising payments

Airlines process millions of transactions daily, yet legacy payment systems exact a steep toll. Value-based transaction fees, often reaching 2 to 3 per cent per ticket, erode margins, while settlement delays, sometimes spanning days, strain cash flow. Innovative solutions are now reshaping this landscape.

IATA Pay, developed in collaboration with Standard Chartered across select markets such as Vietnam and [India](#), leverage on instant payments like VietQR and Unified Payments Interface (UPI) to facilitate eCommerce sales with near instant, low-cost transactions. By eliminating the need to pay acquiring fees to card acquirers, participating airlines are able to generate significant savings on payment processing fees of up to 99 per cent. Airlines are also adopting alternative payment options such as Net Banking and Request-to-Pay, integrating these – alongside IATA Pay – into one-stop collection gateways such as Standard Chartered's [Straight2Bank Pay](#). This platform supports real-time account-to-account (A2A) payments, QR code payments and e-wallet transactions, enhancing the customer experience, accelerating settlement, and reducing reliance on traditional card networks for greater payment resilience and cost efficiency.

Blockchain technology offers another avenue to enhance efficiency and improve resilience, particularly for cross-border payments. By eliminating intermediaries, it enables real-time transfers with minimal fees, a boon for airlines navigating multiple jurisdictions. Partior, a blockchain-based payment network is designed to enable instant, 24/7 cross-border [settlements in multiple currencies](#). [Already supporting real-time settlement in USD, EUR, and SGD](#), the platform can help airlines minimise forex losses from exchange fluctuations and cut intermediary bank fees, significantly improving financial efficiency.

# Thai Airways' treasury transformation

During the COVID-19 pandemic, Thai Airways faced financial strain exacerbated by its decentralised treasury structure. Cash management was fragmented across multiple countries, requiring significant manual intervention for forecasting and reconciliation. In highly regulated markets like India, Pakistan, and Bangladesh, Thai Airways had reduced the number of staff at representative office, relying on General Sales Agents (GSAs) to handle local operations and documentation. This setup obscured visibility into its global cash position and hindered repatriation of surplus funds to headquarters. Multiple banking relationships, each with different contact points and inconsistent market support, further complicated operations.

Recognising the need for change, Thai Airways partnered with Standard Chartered globally to support the implementation of a centralised treasury model across 14 countries. The solution included cash collections and payments in-country, centralised host-to-host (H2H) connectivity, a global interest optimisation structure, and virtual accounts. Discussions around SC PrismFX, IATA Pay and Partior for modernising payments are ongoing, with Thai Airways deploying a single payment hub, standardising processes and leveraging digital transactions wherever possible.



The airline also deployed virtual accounts, segregating funds for ticket sales, ancillaries, and other purposes. This simplified reconciliation, provided real-time visibility, and enabled centralised control. Enhanced authorisation capabilities allowed customised workflows and restricted access, ensuring confidentiality and robust cash flow management. Initially, resistance from teams accustomed to legacy systems posed a challenge, but Standard Chartered and Thai Airways collaborated on feasibility studies and training sessions to demonstrate the benefits. A dedicated service team from Standard Chartered acted as a single contact point, streamlining onboarding and regulatory documentation.

## The result:

Thai Airways achieved complete cash visibility, reduced costs, optimised liquidity, and positioned itself for greater resilience and profitability in the future.





## Green wings: Investing in more sustainable outcomes

Aviation can play a critical role in the energy transition if it embraces the opportunity to pursue greater sustainability as a sector. Whether it is investment related to more fuel-efficient aircraft, Sustainable Aviation Fuel (SAF), or carbon offsets, the industry is faced with a number of new options to consider. SAF, derived from

renewable sources, offers a lower-carbon alternative to traditional jet fuel, helping airlines meet regulatory mandates and consumer demand for greener travel. However, its higher production costs and limited supply mean that innovative financial strategies can help to make adoption viable.

Partnerships such as Standard Chartered and DHL Express' SAF initiative, British Airways' involvement in financing for carbon removal projects or Malaysia Airport's sustainable

Islamic supplier financing, highlight how innovative financial solutions can support more sustainable, socially responsible and cost-stable aviation strategies.

By integrating sustainability considerations into treasury planning, airlines can better leverage centralised pools to fund bulk purchases or secure long-term supply agreements, mitigating price volatility.

## Clearer skies: Linking treasury to retail

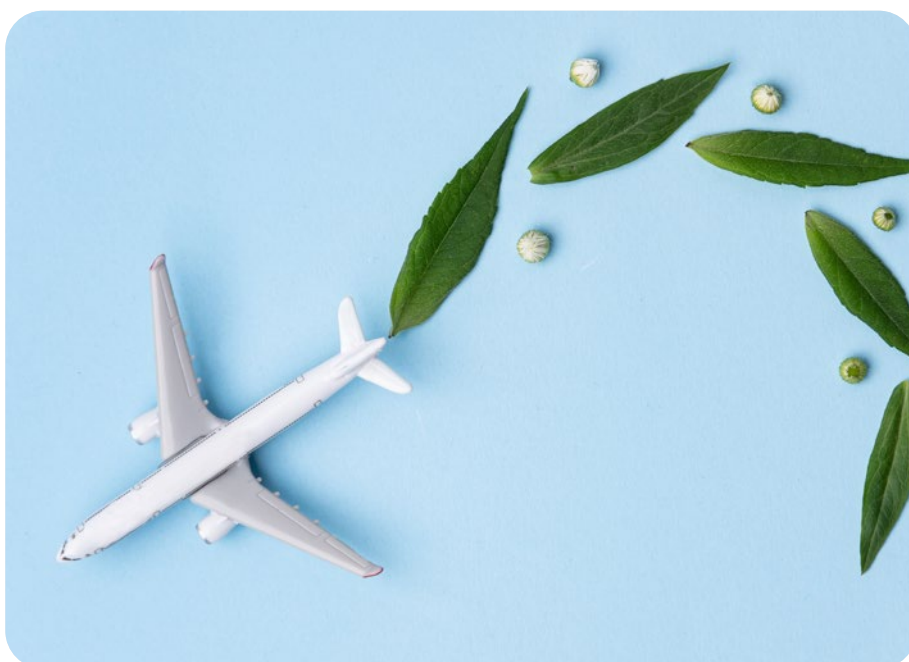
Treasury optimisation extends well beyond cost management. It can also amplify revenue through ancillary offerings and innovative business models. Ancillary services such as seat upgrades, lounge access, baggage fees, and in-flight dining – bundled with ticket purchases – drive per-passenger yields. McKinsey estimates these retailing innovations could generate **USD45 billion industry-wide** by 2030.

Airlines are also increasingly adopting marketplace models, expanding into digital platforms that aggregate travel-related services to deliver personalised, seamless offerings, boosting ancillary revenue and deepening engagement. For example, AirAsia's super app integrates flights with hotel bookings, ride-hailing, and food

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**We are committed to finding innovative financial solutions that can support our clients as part of the collective efforts to achieve net zero.”**

**Sofia Hammoucha**

Global Head of Trade and Working Capital,  
Standard Chartered



delivery, while others explore in-flight marketplaces for duty-free shopping or entertainment upgrades. These efforts can account for up to 20 to 30 per cent of total earnings, redefining airlines as one-stop travel hubs rather than just transportation providers.

Real-time payment systems are critical to this shift, ensuring swift revenue capture from ancillaries and marketplace sales. Innovations like Standard Chartered's [Payout-as-a-Service](#) (PaaS) automate complex payouts – such as split payments to hotel partners or scheduled disbursements for in-flight sales – reducing costs and enhancing cash flow. AI complements these solutions by analysing demand patterns and customer preferences to dynamically adjust fares and ancillary offers, such as premium seats priced higher during peak seasons or discounted hotel bundles to clear inventory.

Treasury professionals are increasingly playing a strategic role here, collaborating with commercial teams to align liquidity with these growth opportunities. Marketplace models may require upfront investments in platforms or partnerships, demanding flexible cash reserves. By linking financial and retail strategies, airlines turn ancillary revenue into a competitive edge, strengthening resilience and profitability.

### **Final approach: Landing financial success**

The tools to achieve more sustainable profitability already exist. Centralised treasury management boosts cash visibility, liquidity, and decision-making, while cutting borrowing costs. Payment innovations such as IATA Pay and Partior streamline transactions, reduce costs, and accelerate cash cycles. Sustainability, woven into

treasury strategies through investments like SAF, can help balance profitability with the pursuit of environmental goals. Meanwhile, maturing retail strategies and marketplace models unlock new revenue streams and deepen passenger engagement.

For treasury and finance leaders, the blueprint forward is clear: Leverage these innovations now to drive sustainable profitability into tomorrow. Airlines that act decisively today won't just keep pace, they'll lead the industry to stronger margins and long-term success as aviation soars to new heights.

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**Airlines operate in a high-stakes environment, where margins remain tight even in times of surging demand. With air travel booming, the focus must shift from survival to sustainable profitability – and their partner banks have a role to play in that.”**

#### **Ankur Kanwar**

Head of Transaction Banking & Cash Management, Singapore & ASEAN, and Global Head of Cash Structured Solutions Development, Standard Chartered

# Case study: Trafigura

**Programmable payment workflow creates a new industry standard for efficiency gains.**

A digital upgrade to Trafigura's payment processes has established a forward-looking benchmark for Trafigura and for the broader commodities industry. Smart contracts ensure accurate invoice matching, eliminating fraud and dramatically reducing both processing times and administrative load.



## Results



**Increased speed** and **efficiency** of payments.



**72 per cent reduction** in overall daily processing times.



**Reduced workload** for Trafigura, in terms of payment file preparation.



**Enhanced security** for the exchange of sensitive data between multiple parties involved brings peace of mind.



**Scalable solution** that both supports business expansion and sets a benchmark for governance and speed of payment in the commodities industry.

## Background

Trafigura Group Pte Ltd is one of the world's largest suppliers of commodities. Founded in 1993, the company trades oil and petroleum products, metals and minerals, gas and power, renewables and hydrogen, and carbon products and solutions. It facilitates logistics and manages complex supply chains to bring commodities to its customers. Trafigura is domiciled in Singapore and headquartered in Geneva, Switzerland, with more than 60 offices globally, and producers and customers in over 150 countries.

## Client challenges and objectives

Trafigura's long-running receivables securitisation programme vehicle – Trafigura Securitisation Finance Plc – covers 75 per cent of the Group's global accounts receivables. This programme has accumulated approximately 150 financial intermediary participants, with approximately USD1 billion in payments processed daily. Various parties (including trustees and a programme agent) oversee the programme, implementing governance standards and managing the layers of legal documentation involved.

The previous processes for overseeing these payments were largely manual and susceptible to fraud and errors: in particular, with incorrect or late payment to finance parties. Trafigura sought to modernise these processes and strengthen its operational framework.

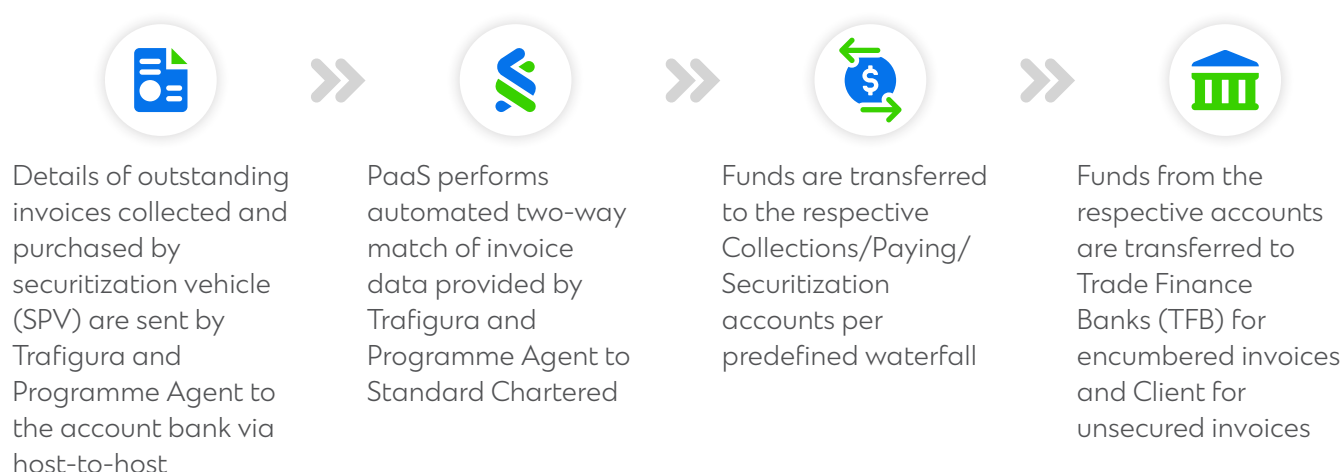




## Solution and implementation

Standard Chartered – the programme's account bank since 2020 – worked with Trafigura and the programme agent to co-create a digital, automated solution for the programme's payment workflows. The solution was built with Standard Chartered's payouts-as-a-service platform at the core. It incorporates smart contracts into the fiat world through automated matching of invoice data provided by Trafigura and the programme agent to Standard Chartered.

The Bank provides 100 per cent two-way programmed matching of invoice data, which then triggers payments to the relevant intermediary participants (as identified in the invoice data), without the need for separate payment files or instructions.



**“The co-creation effort with Standard Chartered breaks new ground by adding vitality to our flagship Trade Receivable Securitisation programme. This initiative aligns with our long-term vision of operating a robust and modern operational framework.**

**The solution defines a new industry standard for complex and controlled money movement, whilst elevating the security and control systems of our programme at significantly increased speed and efficiency.”**

**Chris McLaughlin**

Global Head of Group Treasury,  
Trafigura

# Why the world is excited excited excited about ASEAN

By: **Sunil Kaushal**

Co-Head, Corporate & Investment Banking,  
Standard Chartered

**The bloc is actively working as an organisation to  
remove barriers to intra-regional trade.**

While the world debates the next chapter of globalisation, it's a case of full steam ahead in ASEAN markets.

Investors are flocking to the region, drawn by its trade links, digital transformation and the demand for sustainable infrastructure.

Less visible, but of vital importance, is the work that ASEAN is doing as an organisation to integrate its 10 member states.

Foreign direct investment (FDI) keeps flowing into the South-east Asian bloc, even as it has retreated in some other parts of the world. The region's total

FDI in 2023 was USD226 billion, second only to the United States. This represented a 17 per cent share of world FDI, compared to just 8.2 per cent in the years between 2015 and 2019.

As the International Monetary Fund reported in November, **ASEAN members are expanding trade not only with the United States and China, but with the world more generally.** We noted previously that ASEAN, through its membership in trade agreements such as the Regional Comprehensive Economic Partnership, is acting as a gateway between Asia and other regions, particularly for **"South-South" trade.**

## ASEAN – the life within

However, in the view of Standard Chartered's Future of Trade report, the fastest growing trade corridor is likely to be within ASEAN itself. We expect annual growth of intra-ASEAN trade to be the fastest of any such corridor in the world, averaging **8.7 per cent a year until 2030**.

ASEAN markets have a combined population of more than **650 million**, 200 million more than another well-established grouping, the **European Union**. It has a rapidly growing middle class, and gross domestic product for the bloc was **USD3.8 trillion at the end of last year**. By 2030, ASEAN may be the world's fourth-largest economy.

**We expect annual growth of intra-ASEAN trade to be the fastest of any such corridor in the world, averaging 8.7 per cent a year until 2030.**

Digitalisation is advancing rapidly, with tech companies and hyperscalers racing to build data centres, and **major ASEAN cities aiming to double their data-centre capacity by 2028**.

What is often less visible is that, like the EU, ASEAN is actively working to remove barriers to intra-regional trade.

This has increased demand for cross-border financial services, such as trade financing and foreign exchange, allowing banks like Standard Chartered, which have strong global relationships, to bring even more business into the network.

Or take the ASEAN Economic Community's efforts to integrate financial services via its **Banking Integration Framework**. By promoting cross-border payment systems, lending and trade

finance, the framework helps us ensure that our clients and their ecosystems have the necessary liquidity and working capital when and where they need it.

## Beyond the factory

Much of the recent discussion on ASEAN has focused on how it has become an attractive base for global manufacturers as they seek to diversify and strengthen their supply chains in a period of geo-economic uncertainty.

But the good story is broader than manufacturing.



ASEAN member Singapore, where Standard Chartered's regional operations are based, is a global hub of finance and digital innovation. It was in Singapore that we **partnered with Linklogis** to launch Olea, a fully digital platform that connects institutional investors with businesses that need supply-chain financing.

ASEAN is supporting this kind of innovation by finalising a Digital Economy Framework Agreement. This framework will enable faster and more secure cross-border e-commerce and payments, for many organisations, including global banks like ours.

It establishes clear rules on data storage and management, reduces regulatory fragmentation and facilitates seamless digital and fintech solutions across multiple ASEAN markets in a cyber-secure way.

The bloc's **AI Governance and Ethics Guide** offers a light-touch approach to how artificial intelligence can support this digital growth.

## The tangible links

Another key area of opportunity is ASEAN's physical infrastructure requirement.

Respondents to our Greater Bay Area survey cited the infrastructure deficit of ASEAN markets as one of the main headwinds to success, alongside bureaucratic hurdles and poor local financing.

The ASEAN Power Grid is driving a pan-regional overhaul of power systems, linking national power grids with interconnectors to maximise the potential of intermittent renewable energy sources such as wind and solar.

The region's energy infrastructure is particularly deserving of investor attention, not least given the power demands of new data centres. Across ASEAN, there is a desire to expand the existing transmission capacity of [7.7 gigawatts \(GW\) to 17.6 GW by 2040](#).

The bloc has put in place sustainability standards and mechanisms – such as the ASEAN Taxonomy for Sustainable Finance, ASEAN Green Bond Standards and the ASEAN Catalytic Green Finance Facility – that will help to raise finance for large-scale

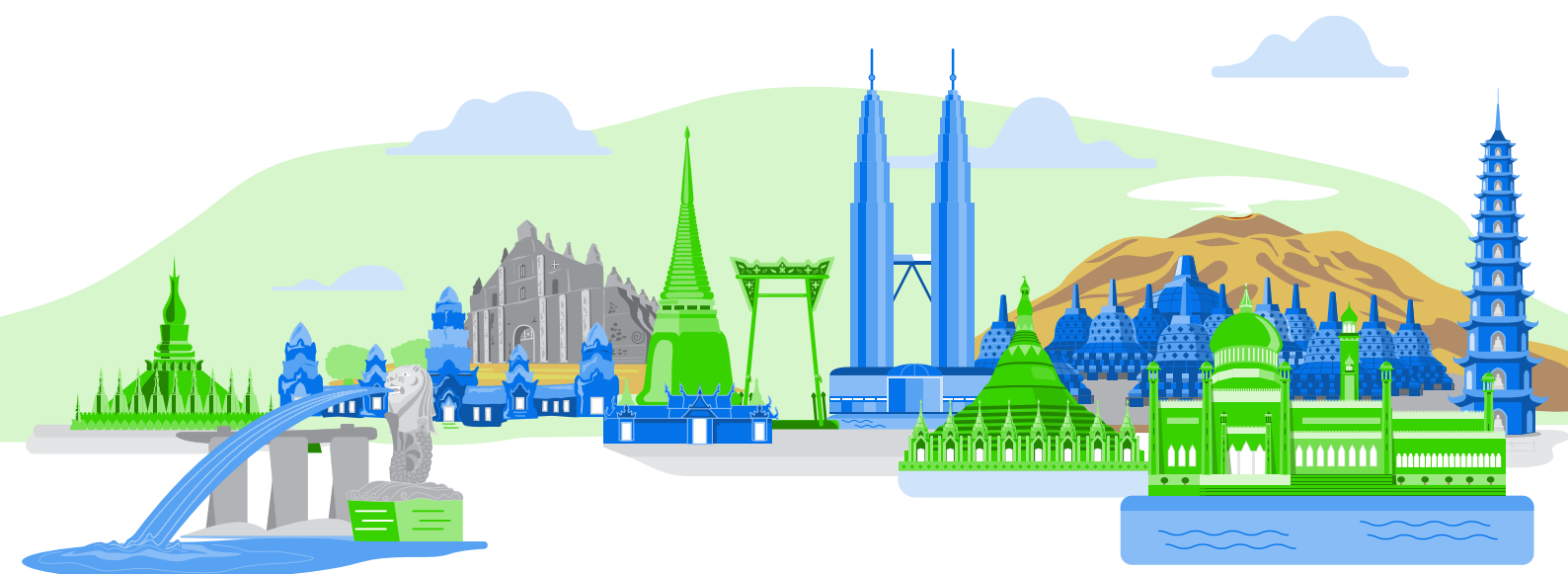
energy infrastructure projects by tapping global funds allocated to sustainable investment.

When it comes to trusted data, the flagship ASEAN Energy Outlook serves as a critical reference, charting the bloc's progress in delivering the energy – particularly renewable energy – needed to fuel the region's economic growth. It also provides an honest assessment of the investments still needed to achieve these goals.

The [latest edition of the outlook report](#), for example, notes that ASEAN is targeting a 23 per cent share of renewables in its total primary energy mix by 2025, but that the share stood at only 15.6 per cent as of 2022, presenting a challenge to hitting this target.

In short, ASEAN – a global bright spot – is making significant strides in integrating its 10 member states, while recognising that much remains to be done.

As the only international bank with a presence in all 10 ASEAN markets and decades of expertise in South-east Asia, we look forward to continued collaboration with our regional partners to help turn even more of this potential into performance.



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# The data-driven revolution in risk management

As digital transactions surge and fraud becomes more sophisticated, the ability to harness high-quality, structured data has never been more critical. Financial institutions need to shift towards smarter, data-driven strategies, and ISO 20022 is the key enabler of this transformation.



[Listen on Apple](#)

[Listen on Spotify](#)

## Key takeaways:

**1** ISO 20022 is not a silver bullet against financial crime, but it is a massive leap forward.

**2** With Swift's clear warning that unprepared banks will not be able to process payments, FIs need to think beyond compliance.

**3** ISO 20022's flexible, reusable components are revolutionising payments, giving unparalleled clarity and control.

## Redefining the foundation for payments

The financial industry is counting down, as the MT/MX cross-border coexistence period comes to an end. By [November 2025](#), legacy formats will no longer coexist and will be replaced by ISO 2022, the new payment language.

"The current systems were revolutionary in their time, but they can no longer support the future demands of the financial landscape," said Danielle Sharpe, Head of FI Clearing Product, Standard Chartered.

ISO 2022 was conceptualised in 2004 as a response to the growing inefficiencies in legacy payment messaging systems. For decades, the financial industry relied on MT formats introduced in the 1970s. These formats have become increasingly obsolete for the complexities of modern finance, constrained by limited fields and unstructured data formats.

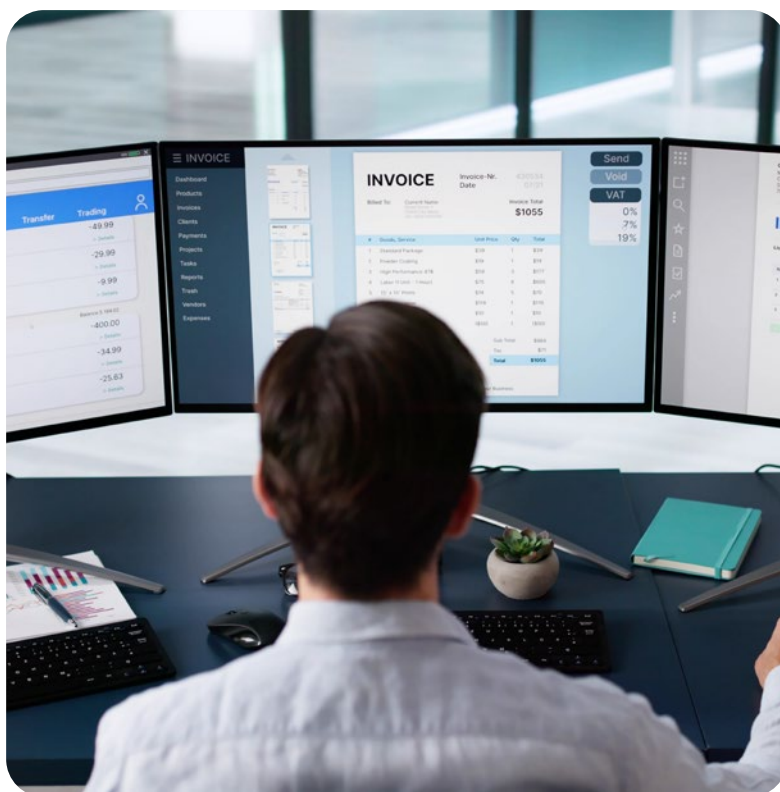
Despite its technical nature, the implications of ISO 2022 are broad. "At its core, it's about harmonising the way we communicate in payments," Sharpe added. "We are moving from a world of limited, truncated data fields to one where over 1,000 structured fields give us unparalleled clarity and control."

A [study](#) showed that as much as 10 per cent of cross border payments trigger some form of alert, and 99 per cent of those are usually false positives. Such inefficiencies not only strain compliance teams but also delay legitimate transactions, impacting client experience. "There is a lot of friction in the system today and a lot of opportunity. ISO 2022 will be able help us get there," she said.

## The new frontier in financial security

Sharpe's career in the financial industry began in law enforcement, where she investigated financial crimes. This frontline experience exposed her to the

sophisticated tactics used by fraudsters, reinforcing the importance of data-driven risk management in today's complex financial ecosystem. "The richer data in ISO 2022 messages helps uncover patterns that previously went unnoticed. ISO 2022 is not a silver bullet against fraud, but it is a massive leap forward," she explained.



Financial crime detection has traditionally relied on static, rules-based models that trigger alerts based on predefined criteria such as transaction amount, location, or counterparties. While effective to a certain extent, these systems have also been plagued by high false-positive rates, creating operational inefficiencies and customer friction.

ISO 2022's machine-readable XML schema enables FIs to leverage advanced technologies such as artificial intelligence (AI) and machine learning (ML). These tools can process data predictively, identifying patterns and anomalies more effectively than traditional static rules-based systems.

Additionally, the ISO 20022 standard introduces more detailed payment metadata, such as purpose codes, remittance information, and payer-payee relationships, allowing for a more nuanced understanding of transactional intent. This level of granularity is crucial for combating fraud typologies like authorised push payment (APP) fraud, money laundering, and synthetic identity fraud, which cost the global financial system billions annually.

Sharpe noted that the future of fraud prevention lies in smarter systems. "It is incredibly important to leverage the ISO 20022 structures, standardisation, and ability to be able to ingest the insight into downstream systems."

## From Cuba to clarity

The shift to ISO 20022 is not just about compliance; it is about transforming operations. As Sharpe explained, in sanctions or monitoring, there are numerous payments that are impacted and disrupted because the payment formats are unstructured, and this requires human intervention. "In today's systems, a restaurant name like Cuban Eats might trigger a compliance alert because it contains the word 'Cuba.' With ISO 20022's structured fields, these false positives can be eliminated, allowing teams to focus on the real risks."

Unstructured data often causes unnecessary red flags, consuming valuable resources and slowing down transactions. ISO 20022's clear segregation of information within payment messages addresses this directly. The new standard also enhances automation by aligning payment data with predefined structures. This reduces the likelihood of formatting errors that disrupt transaction flows.

Furthermore, ISO 20022's capability to integrate seamlessly with downstream systems enables banks to resolve exceptions more quickly, improving client service levels.

## Industry-wide harmonisation and resiliency

The global financial ecosystem has long suffered from fragmentation, with domestic and cross-border payment systems often operating in silos. ISO 20022 addresses this challenge by fostering interoperability. Harmonised schemas ensure that payment messages can flow seamlessly across different systems, reducing friction and enabling banks to reroute payments during disruptions.

"A unified standard allows financial institutions to operate consistently across jurisdictions, even in crisis scenarios," Sharpe noted. However, she acknowledged that achieving true interoperability requires overcoming challenges such as data localisation requirements and nuanced downstream expectations.

How will ISO 20022 play a role in addressing resiliency for banks and potential systemic risks? "I think the benefit from a resilience perspective is high. Consider a scenario where the payment systems or certain infrastructures are down, and you still need to be able to keep things moving. That is challenging, because depending on the RTGS that your payments are destined for, it really could drive a difference between the schema that is used and the payment format that is required. While it is a step in the right direction, the local requirements for mandatory fields will still create challenges even if ISO 20022 CBPR+ is in place," Sharpe added.

“  
**A unified standard allows financial institutions to operate consistently across jurisdictions, even in crisis scenarios."**

**Danielle Sharpe**

Head of FI Clearing Products,  
Standard Chartered



## November 2025 is just the beginning

The migration to ISO 20022 is well underway and its significance is not to be underestimated. Platform transformation takes time, requiring organisational commitment and strategic planning, particularly as the changes extend to a number of MT-based systems and processes developed over the years.

With various message types in scope of migration, Swift has emphasised the importance of prioritising instruction messages and [Swift data](#) reveals that as of March 2025, 35.3 per cent of global payment instruction traffic has shifted to ISO 20022. With less than 9 months until the November 2025 deadline, FIs are gearing up to meet the new standards to avoid operational disruptions and competitive disadvantages.

Sharpe said that Swift has made it clear that if FIs are not ready by November 2025, natively or through the use of converters or contingency solutions, they will risk being excluded from international payment systems, and there is still "a long way to go."

However, November 2025 is not the finish line – it is just the beginning. While FIs must be ready to send and receive ISO 20022 messages natively or through contingency measures by this deadline, the real transformation will unfold over the years that follow. This shift is not merely a compliance exercise but the foundation for a broader, data-driven payments evolution.

FIs that treat ISO 20022 as a one-time regulatory hurdle will miss its long-term benefits, while those that proactively integrate its structured data into their systems will gain a competitive edge in the evolving financial ecosystem.

This migration should not be seen as just a compliance requirement, it is a strategic opportunity. Sharpe emphasised the need for FIs to move beyond a "check-the-box" mindset and focus on leveraging ISO 20022 data for business value. "It is important for us to not only look at this as a means to an end or meeting a compliance deadline. We should ensure that we can do something meaningful with the data. What clients are going to expect from us is the benefits that we are bringing to them out of this wide migration."

Myth  
Buster

### Is ISO 20022 a silver bullet against fraud?

A common misconception about ISO 20022 is that the standard alone can solve all risk management and operational inefficiencies.

"On its own, ISO 20022 does not solve our problem," Sharpe cautioned, highlighting the paradox of richer data. "At first, it might actually lead to more false positives as we adapt to the new volume and complexity of information. It is incredibly important for us to tune the downstream systems and not just hope that because we have the extra data in the fields that will be a silver bullet for us to be able to be excellent and proficient at our risk management."

In the first episode of the "ISO 20022 Made Simple" podcast series, Danielle Sharpe, Head of FI Clearing Product and Sunday Domingo, Global Head of Digital Channel Solutions, demystify the potential implications of ISO 20022 for the banking industry. Tune in via [Apple](#) and [Spotify](#) Podcasts.



# Frictionless reconciliation and allocation of cash

Can the adoption of ISO 20022 XML turn this dream into reality?

[Download](#) our whitepaper to find out.



Over the past two decades, Trafigura has grown into one of the world's leading commodity trading firms, shaping global markets in energy, metals, and minerals. With a presence in over 150 countries, it plays a pivotal role in making global supply chains more efficient, secure, and sustainable.

**We recently sat down with Chris McLaughlin, Trafigura's Head of Group Treasury to explore the questions our readers are most eager to have answered.**

**Chris McLaughlin**

Head of Group Treasury,  
Trafigura



**Tell us a little bit about yourself.**

I grew up in a small town in Somerset, England, studied economics and politics at Queen Mary University in London, and started my career with a short internship at Bloomberg. I joined Trafigura 16 years ago, and it has been a journey that has taken me from London to Geneva, where our management team is based. I am here with my wife, three children, and our Miniature Schnauzer puppy.

**What drew you into the treasury space?**

At school, I had an aptitude for numbers, so I figured finance, or commerce was the direction I would go in. Back then, I had never heard of Trafigura – it was a much smaller company. However, when I joined in a junior role, I found it to be very entrepreneurial, very dynamic, and growth focused.

**Can you describe your role and the biggest opportunities your treasury team is embracing?**

Six years ago, I became Head of Group Treasury, bringing together three functions: corporate treasury, operational treasury, and FX/interest rate management. We've since expanded to include global banking operations and due diligence, as KYC processes have become a major focus. Our business is very working capital intensive, and with over one hundred banking partners, it can be very complex. Our corporate funding team manages liquidity, cash, investments, and intercompany flows. The FX and interest rate team hedges key exposures and advises our traders, while our global banking operations crew tackles KYC queries.

The biggest opportunity? It must be redefining treasury's role. I am moving us away from being just a service centre that processes transactions and onto a journey of adding alpha and delivering against the wider business strategy. Our eyes are set on tomorrow's possibilities; we are exploring the potential of blockchain and digital assets in seamlessly moving money across our network and settling with

counterparties 24/7. We are embracing APIs with our core banks to boost cash visibility and integrate treasury with commercial operations to improve credit management and decision-making. And we are deploying AI for document reading, payment verification, and KYC processes, freeing up treasury professionals for higher-value tasks. Our CEO talks about working simpler, smarter, and sharper, and AI is key to that. Group Treasury has an incredibly important role to play here.

**What major trends shaping treasury today are most exciting to you?**

I am excited by blockchain technology like Partior - it is a direction we are very keen on. It is an interesting network that could enable 24/7 cash movement, which is something I would like to see. Banks often talk about this within their own ecosystems, but where I see the real opportunity is when they start to collaborate. We work with many different banks, and so do our counterparties. We need a means of communication amongst them to remove that correspondent friction – cash just sitting in the system, not working in our best interest. Something like Partior has the potential to make that happen.

AI, though, is what excites me the most. In just six months, we have identified more than fifty areas where it can reduce operational workflow, enhance data visualisation, and improve collaboration across functions. Treasury will look very different in a year's time as we deliver these projects. It is about freeing up our talented people from heavy manual day-to-day processes so they can focus on the more interesting, value-added aspects. For example, in payments, we have a process with about thirty fields of manual validation. We are developing an AI document reader with our data science team that matches payment orders to documentation, gives us a comfort score, and lets us focus only on the 5 per cent that do not match. It will really speed things up and improve risk management.



**What is one treasury innovation or tool you wish had existed five years ago and why?**

I wish a global solution for managing KYC requirements exists – and I hope the industry solves for this soon. Every financial institution and corporate has teams doing this job, and I do think about the time that can be freed up. AI as well – I wish it had existed five years ago. The speed at which it is delivering is simply amazing. What we deliver with AI in the next five years will fundamentally change our business and how treasury operates.

**What leadership traits do you believe are essential for the next generation of treasury professionals?**

Treasury is changing fast, and the best people in my view are those who are always challenging the way we do things. They ask, "Should I be doing this? Is this the best way?" I value those who question the status quo, align treasury with the company's vision, and build relationships across the business. We need to be with the business to understand what issues they have and how treasury can drive that solution. Invariably, things happen daily and having that relationship with stakeholders means quicker resolutions. I encourage my team to get out of their comfort zone and into the wider business, to see how we can meaningfully add more value.

**What book, podcast, or resource would you recommend to your friends or our readers?**

I do enjoy reading about business history – currently a biography of Andrew Carnegie, after similar books on Henry Ford, JD Rockefeller, and Richard Branson. On the podcast front, I like "How I Built This" by Guy Raz. It is about how people build businesses and thinking differently, fuelling my ideas about building a treasury that is fundamentally different and focused on value-generation.

**What habits or routines help you stay effective in your role?**

Organisation and communication. Some of the smartest people I work with are not necessarily the most academically gifted, but they excel because they are methodical and articulate. Simple habits like taking structured meeting notes, following up with clear actions, and providing concise updates can dramatically improve effectiveness. Treasury is complex, so regular, well-structured communication is key.





**What is one prediction you have for the future of treasury, and how should professionals prepare for it?**

I see treasury becoming more embedded and integrated with our commercial business, not just a standalone function. We are linking cash management directly to physical transactions using internal systems, so we can better track cash per deal, forecast cash flow, and model risks right within our commercial operations. This connects payments and liquidity to the full process, moving us beyond being a reactive support team. APIs will help drive this shift, sharing treasury's insights across the business. AI will take over manual tasks, making workflows more efficient. We need to upskill our treasury personnel to manage richer data and make smarter decisions. Treasury professionals should prepare by embracing technology, learning data analytics, and collaborating more with colleagues across the wider organisation.

**If you could give advice to a professional starting their career in treasury, such as your younger self, what would it be and why?**

I would tell them – and my younger self – to challenge your leaders. Ask, "Why are we doing this? Is this the right thing to be doing? Is there a better way to do it?" Experiment with new ideas, explore technologies, and work with data science or AI teams to drive solutions. Treasury is changing a lot – it is an exciting field for those who are both analytical and creative. It has been incredibly fulfilling for me, and I would encourage anyone with curiosity and a problem-solving mindset to dive right in.



# On the Horizon

Speak to our teams at these upcoming events near you.

May

1

## Treasury Leadership Forum, Dubai

The proprietary Standard Chartered forum series brings clients, industry specialists, and experts together to exchange experiences, expertise, insights, and ideas, as they discuss the blueprint for tomorrow.

5 – 7

## Point Zero Forum

The 2025 dialogue at Zurich, Switzerland is set to cover the impact of geopolitics, macroeconomics and trade on global policies and use-cases for technology in financial services and commerce.

12

## Treasury Leadership Forum, Chicago

The proprietary Standard Chartered forum series brings clients, industry specialists, and experts together to exchange experiences, expertise, insights, and ideas, as they discuss the blueprint for tomorrow.

13

## GTR KSA 2025, Riyadh

Themed "Embracing the future of Saudi trade", delegates can expect invaluable insights from an extensive programme featuring over 30 expert speakers, supported by prominent financial institutions, industry associations and government agencies.



14

## GTR India 2025, Mumbai

Themed "Strengthening India's role in global trade and exports", delegates are invited to explore the latest industry trends and developments as well as the challenges and opportunities ahead.

20

## Treasury Leadership Forum, South Africa

The proprietary Standard Chartered forum series brings clients, industry specialists, and experts together to exchange experiences, expertise, insights, and ideas, as they discuss the blueprint for tomorrow.

## May

20 – 21

**ACT Annual Conference 2025**

Held in ICC Wales, attendees can look forward to exploring the latest in treasury and gain strategic and practical insights from specialist speakers through a range of sessions to engage all levels of the treasury function and the wider community.

21 – 23

**36th Financial Symposium (Finanzsymposium 2025)**

Into its 36th year, the leading congress for treasury and financial management in Europe will see over 2,700 specialists and managers meeting in Mannheim, Germany, to discuss key challenges, innovative solutions, and strategic decisions.

21 – 22

**GTR East Africa 2025, Nairobi**

Themed "Driving trade growth across East Africa", hear from expert speakers as they delve into regional trade, commodity, and infrastructure financing sectors with a focus on critical market insights and opportunities, innovative ideas and practical guidance.

22

**Treasury 360° Nordic 2025**

From an opening keynote hosted by ex-EU trade commissioner Cecilia Malmström to plenary sessions, case studies, and roundtable workshops, this year's edition in Stockholm promises a robust conference programme for treasurers, by treasurers.

## June

3 – 5

**Money20/20 Europe**

The discussion this summer in Amsterdam is set to explore if we are witnessing a fundamental shift in the world of money, with new governments, regulators and business leaders facing unprecedented AI-boosted generational change.

12

**GTR UK 2025, London**

Delegates can look forward to hearing from over 60 experts offering their cutting-edge insights into the ever-evolving trade finance landscape and stay ahead of the curve while being a part of the conversations shaping the future of international business.

24

**Treasury Leadership Forum, London**

The proprietary Standard Chartered forum series brings clients, industry specialists, and experts together to exchange experiences, expertise, insights, and ideas, as they discuss the blueprint for tomorrow.



Thank you for reading

# Bankable Insights: Transaction Banking

Issue 1, 2025

For more on Transaction Banking, [click here](#).

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