



Bankable Insights:

Transaction Banking

Issue 2, 2024: Leading the change



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Foreword

Strengthening supply chain resilience, digitising operations and making them more sustainable and exploring the use cases of AI and blockchain are some of the key transformation initiatives that our corporate and financial institutions clients are focusing on.

As your strategic partner, we have been investing in our platforms and working closely with many of you, our clients, our fintech partners and industry peers to expand our Cash Management, Trade Finance and Working Capital capabilities and deliver innovative solutions that allow you to focus on effectively running your business. Our team has also been actively sharing our global perspectives and strong on-the-ground expertise and knowledge to enable you to navigate the complex and rapidly evolving business operating environment as your organisations change and transform.

In this edition of Transaction Banking Bankable Insights, we share the latest news from across our network as well as our views on global topics including the new imperatives for Corporate Treasuries in 2024, how AI is revolutionising supply chain financing and the transformative power of the tokenisation of trade finance assets.

I hope you enjoy this edition and I invite you to reach out to us should you need further details on any of the topics covered.

Michael Spiegel

Global Head of Transaction Banking
Standard Chartered



At-a-glance

Highlights from across our network

1

First live Euro settlement bank on global unified ledger market infrastructure, Partior

[Successful client transactions](#) with Siemens AG and iFAST Financial Pte Ltd. in a real-world commercial setting represents a significant milestone for the integration and operationalisation of distributed ledger technology (DLT)-based transaction workflows with our core banking systems.

2

Joining forces with Visa to enhance cross-border payments

[We joined Visa's B2B Connect](#), a multilateral payment network that enables faster and frictionless account-to-account cross-border payments. This single connection comes with transparent time frames and costs, offering predictability and cost effectiveness for our clients.

3

Scaling the use of sustainable aviation fuel

We announced a strategic partnership with DHL Express to co-invest in sustainable aviation fuel, to allow the balancing of CO₂ emissions linked to our upstream logistics with high quality Verified Emission Reductions carbon credits. We are among the first banks to use DHL's GoGreen Plus service to help scale the use of sustainable aviation fuel.

4

Linking ESG scores to supply chain financing

We marked the success of our inaugural ESG score-linked deep-tier supply chain financing project for Yibin Grace Group Co., Ltd. and its subsidiaries. This initiative is built upon the bank's supply chain finance platform, SCeChain, which integrates ESG assessment criteria from a third-party rating agency to offer suppliers competitive financing rates based on their ESG performance improvements.

5

Uncovering treasury transformation insights from APAC and MEA

Underwritten by Standard Chartered and released by the Association for Financial Professionals, [explore two new whitepapers](#) on Treasury Transformation - Insights from Asia Pacific (APAC) and Insights from the Middle East and Africa (MEA) - that bring together the experiences, practices, and views of corporate treasurers across 28 markets.

7

Named 'Best Bank for Cash Management' by Global Finance

We are proud to be named Best Bank for Cash Management in Bangladesh, China, India, Kenya, and Philippines, and for having the Best Open Banking Treasury Solution, by Global Finance in its [Best Treasury & Cash Management Award 2024](#).

8

Won 'Outstanding Trade Partner Bank' honourable mention by IFC

We were recognised by the World Bank Group's International Finance Corporation (IFC) for our long-standing partnership and various trade finance initiatives that have been run together, including the most recent Corporate Risk Sharing facility in Pakistan.

6

Navigate the global payments landscape with our Guide to Payment Regulations

In collaboration with global law firm Allen & Overy we published the [Guide to Payment Regulations](#), which outlines the prevailing regulatory frameworks and related licensing schemes for payments and e-money services in 16 markets across Asia, Africa and the Middle East.

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Corporate treasury's new imperatives for 2024: Resilience, reinvention and radical transformation

Standard Chartered's Tarek El-Yafi, Managing Director and Regional Head of Cash Management Sales, Americas, explains why good governance with internal stakeholders/businesses, clean and tagged datasets, and near real-time to real-time insights with your bank partners are the foundation for competitive functions in treasury.

It has been some months now since financial professionals have flipped their calendars from 2023 to 2024, and corporate treasurers continue to be confronted with an economic landscape reverberating from years of turbulence.

But for the strategic and forward-thinking, change presents an opportunity for reinvention and radical transformation, not a threat. This year brings fresh challenges demanding proactive measures and agile adaptation from

those tasked with safeguarding their organisations' financial wellbeing.

The fiscal pendulum is poised to swing, heralding a new era of financial stewardship underpinned by data-driven insights, cutting-edge technology, and unwavering resilience. Treasurers are expected to take the lead in navigating market shifts, mitigating counterparty risk, and harnessing innovation as catalysts for organisational growth.



Fortifying resilience through diversified counterparty risk management

The continued geopolitical and economic uncertainty, compounded by bank country exits, has heightened the risk of bank failures and consolidations.

The recent events surrounding Silicon Valley Bank and Credit Suisse serve as stark reminders of the paramount importance of robust due diligence in all banking relationships.

Treasurers must proactively assess the financial stability and risk profiles of their banking partners, considering the potential ramifications of operational disruptions or insolvencies.



Consider a backup banking structure. We've seen many banks make surprise exits of markets forcing corporates to create urgent projects to find a new bank in those markets, or we've seen a huge scramble with searching for bank providers post the SVB issues we saw in 2023. While it can be expensive to do this, consider having a secondary bank in your high-volume markets to mitigate this risk. 

Tarek El-Yafi

Treasurers are seeking to leverage banking relationships to expand supply chain programmes involving buyers and suppliers. Certain large corporations are implementing secondary banks in major geographies to complement their core banking relationships, thereby enhancing risk diversification, and ensuring business continuity in the face of unforeseen events.

Harnessing the power of artificial intelligence and automation

The acceleration towards greater digitalisation has paved the way for deriving data-based insights that drive informed decision-making.

Treasury teams should assess the potential of robotic process automation (RPA) and machine learning (ML) solutions within the realms of efficiency optimisation and risk analysis.

“If you have complicated bank set up or business lines/reporting, AI + Data can offer a lot of insight. If you have a simplified banking structure and reporting business lines with clean data– maybe not,” says El-Yafi.

Before discussing AI/Models it is more important to discuss clean data that is enriched. That is where ISO 20022 is so important – simplified data sets that are enriched which gives basis for Generative and predictive AI.

While AI remains a proof of concept for some treasuries, others have already implemented it, leveraging predictive AI models to streamline cash flow data lakes and recognise trends and patterns.

This approach helps treasuries refine their operating models and gain insights into end-to-end cash flow cycles, highlighting peaks, valleys, and previously undetected exposures. AI provides quantitative and qualitative granularity, unveiling best/worst-case scenarios for market/price risks and associated financial risks (currency, interest, equity).

This enhanced data certainty equips treasurers with the confidence to determine appropriate financial needs, spanning hedging programme refinements, investments, revolving credit drawdowns, debt issuance, and cash conversion cycle optimisation, says El-Yafi.

The successful adoption of AI and automation also hinges on upskilling teams on technology utilisation.

Continuous training and development initiatives should be implemented to ensure that treasury professionals possess the requisite skills to leverage these cutting-edge tools effectively, fostering a culture of innovation and adaptability within the organisation.

Driving operational excellence through transformative technology adoption

The deadline for migrating to SAP S/4HANA has been extended to December 2027, providing treasurers with additional time to navigate the complexities of this critical implementation.

“Meticulous planning and execution are crucial for a successful SAP S/4HANA migration,” says El-Yafi. “Invest ample time in assessing your organisation's needs versus desires, and measure the value each system component brings to your operations. A migration of this magnitude may not occur again for another decade.”

The new SAP platform represents a significant shift, enhancing automation capabilities, leveraging AI, machine learning, and the Internet of Things (IoT) to unlock unprecedented operational efficiencies.

However, El-Yafi notes businesses should not be blinded by all that SAP has to offer. “While SAP offers a comprehensive solution, certain third-party modules may be cheaper to implement and outperform their counterparts in specific areas,” he notes.

“Conduct a thorough evaluation of your critical business functions and consider the best-in-breed options, as integrating

external capabilities via APIs is more accessible and cost-effective than ever before.”

Treasurers must seize this opportunity to assess their current technology landscape, identifying areas for optimisation and integration. By aligning their technology strategy with organisational objectives, they can streamline processes, enhance data-driven decision-making, and position their organisations at the forefront of digital transformation.

In parallel, corporations are actively seeking to rationalise their banking relationships, focusing on deepening partnerships with a select few institutions. “Prioritise banks that are already integrated with SAP's ecosystem, as they can offer additional benefits to your treasury operations,” says El-Yafi.

Key drivers for this strategic shift include cost management, increased control over banking operations, and the ability to leverage banks with consistent and scalable technology across multiple markets.

By consolidating their banking relationships, treasurers can foster closer collaboration, enabling seamless integration of banking services and technologies with their internal systems, and ultimately enhancing operational efficiency and risk management capabilities.

Beyond the financials

Corporate treasuries must also go beyond traditional financial data and collaborate closely with various business lines and internal stakeholders to gather comprehensive insights.

By fostering active communication and data sharing with departments such as Human Resources (HR), treasuries can gain a holistic understanding of factors that may impact cash flows, liquidity, and financial risk exposures, says El-Yafi.

While it is crucial to monitor customer payment patterns and forecast potential late payments, treasuries must also stay informed about strategic business decisions and operational changes that could significantly influence cash flows.

“For instance, if the HR department plans to hire three new executives at a 20% premium to current costs with a three-year guarantee to maintain those costs, this information is invaluable for the treasury team.”

Tarek El-Yafi

Such insights enable treasuries to anticipate and quantify the impact of these hiring decisions on future cash outflows, ensuring accurate cash flow forecasting and liquidity management. Additionally, this information can influence strategic decisions related to short-term investments, debt financing, or working capital management initiatives.

By fostering collaborative relationships with internal stakeholders, treasuries can proactively identify and mitigate potential risks, capitalise on opportunities,

and optimise cash management strategies. This cross-functional approach aligns treasury operations with the organisation's broader strategic objectives, enabling treasuries to contribute more effectively to the company's overall financial well-being.

Furthermore, by leveraging data from various business lines, treasuries can enhance their predictive capabilities, enabling them to anticipate and prepare for potential disruptions or changes in the business landscape.

Charting a course for success: A roadmap for treasurers

As treasurers navigate the challenges and opportunities that 2024 presents, a well-defined roadmap is essential to ensure strategic alignment and execution excellence. Over the next few quarters, treasurers should prioritise the following:

1. Leverage cutting-edge solutions to streamline processes, enhance data-driven decision-making, and drive operational excellence.
2. Consider establishing secondary banks for large markets to diversify risk: Mitigate concentration risk by diversifying banking relationships, particularly in key markets, ensuring business continuity and resilience.
3. Rationalise bank and account relationships to streamline operations: Consolidate banking partnerships, focusing on institutions with consistent technology and scalable solutions across multiple regions, fostering closer collaboration and integration.
4. Emphasise resilience and adaptability as key strengths within the organisation: Cultivate a culture of agility and responsiveness, enabling the treasury function to anticipate and respond effectively to market dynamics and emerging risks.

By proactively addressing these areas, corporate treasurers can position themselves as catalysts for transformation, anchoring their organisations in stability while embracing the innovations that will shape the future of financial stewardship.

This article was first published on The Global Treasurer.



How is AI revolutionising supply chain financing?

AI is revolutionising the supply chain finance landscape, emerging as a pivotal force in the ongoing industrial and technological transformation. The integration of AI into this sector is garnering significant attention for its transformative potential.

In an innovative collaboration, Standard Chartered China and Linklogis have embarked on a deep-tier supply chain finance initiative that has introduced the Bee Feather AI platform, an all-in-one AI solution tailored for supply chain finance. The platform is testament to the ability of AI in streamlining processes and fostering the digital evolution of the supply chain ecosystem.

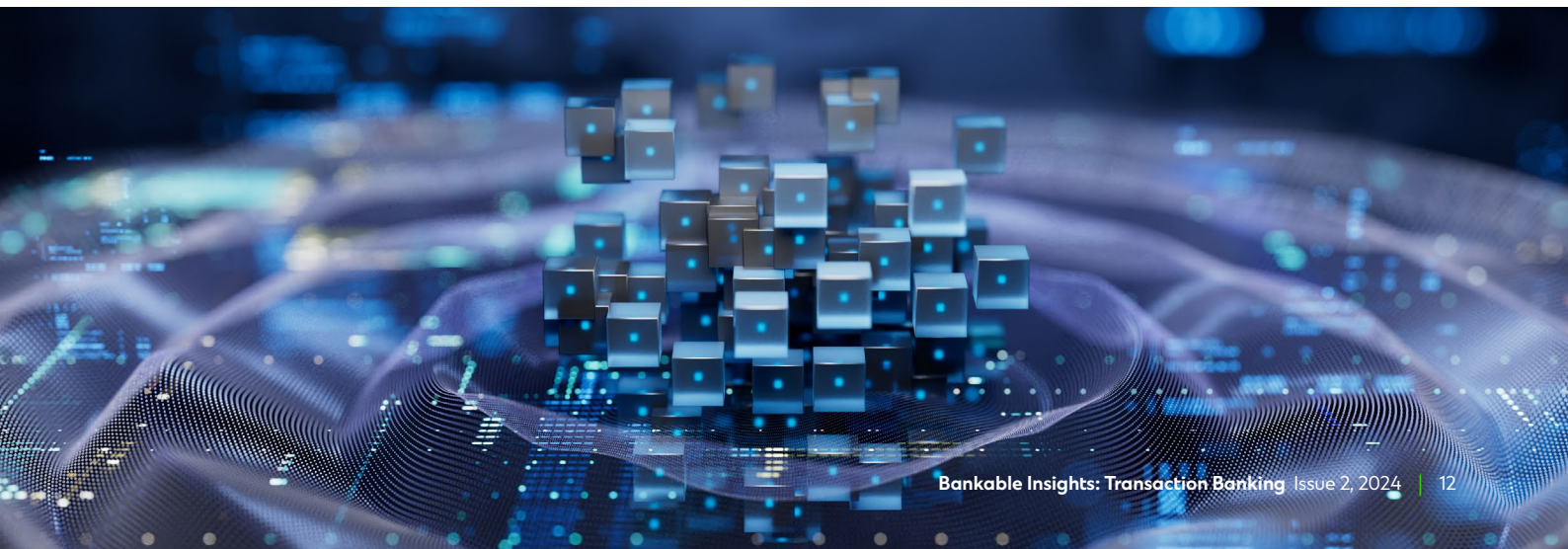
The platform has been instrumental in enhancing operational efficiency and fortifying the robustness and durability of key operational milestones in trade finance, payment management, and related services. It has been particularly effective in reducing the time and cost associated with order processing, bolstering operational resilience.

Moreover, the advanced modelling technology embedded within the Bee Feather AI platform is deeply integrated into supply chain finance operations. It facilitates intelligent risk assessment,

which is pivotal in optimising daily operational tasks and enhancing overall efficiency.

Developed by Linklogis, the platform seamlessly integrates data, algorithms, and models, enabling efficient and convenient model development and service deployment. It also offers a suite of intelligent, scenario-specific solutions designed for application within the realm of supply chain finance. These include AI-powered registrations in the stipulated system, trade background verification, and cross-border document auditing, among others.

Collectively, these features further empower financial institutions to rapidly develop high-precision AI applications, driving innovation and excellence in the financial sector.



Why is tokenisation of trade finance transformative for investors?

Standard Chartered and Synpulse paper explains why digital assets are critical to addressing financing requirements of companies.

With institutional investors hungry for new, fast-growing markets, the opportunity of trade finance tokenisation is an exciting prospect that allows for exposure to emerging market assets. For banks, which traditionally are sold trade finance assets, tokenisation can help raise their net interest income and optimise their capital structure.

Given the projected 55% growth in global trade to US\$32.6 trillion by 2030 according to [Standard Chartered data](#), there is a critical need to secure additional sources of capital to support future financing demand.

This important development is something progressive institutions like Standard Chartered are looking to tackle, as detailed in the bank's new paper titled [“Real-World Asset Tokenisation: A Game Changer for Global Trade”](#) written in collaboration with global consulting company Synpulse. In this in-depth paper, the bank explores the potential around tokenisation and why it is mutually beneficial for institutional investors, banks and companies in solving trade financing requirements now. Below are some key takeaways from the paper.

In its simplest form, tokenisation refers to the process of issuing digital representations of real or traditional assets in the form of a token on a distributed ledger which can be fractionalised into smaller and transferable units. This ability to produce bite-sized assets for ownership is a game changer for asset classes that are struggling to secure funding and liquidity.

Tokenisation could support companies in need of trade financing by opening a viable channel for institutional investors such as asset management companies and sovereign wealth funds to provide capital. MMEs are especially active in fast-developing regions such as the Middle East, Asia, and Africa. They represent a vast and largely unaddressed market, offering an immense yet unrecognised opportunity for investors.

Banks stand to gain from increased tokenisation of trade finance assets as well. With the increased pressure to comply with Basel IV requirements by 2025 on the calculation of risk-weighted assets, banks need to be strategic with their balance sheets.

Through tokenisation, banks can adopt an originate-to-distribute model for trade finance by distributing trade finance instruments they have initially financed to the capital markets and the emerging digital asset markets, thereby providing companies in need of trade financing, access to a global pool of institutional investors seeking returns.

Given the economic pressures facing companies to secure financing, coupled with the restriction of balance sheets from banks, the time is right now to start the conversation on how to scale up trade finance asset tokenisation.

Huge untapped market

Currently, the problem is the lack of tokenised asset supply unable to meet expected increasing demand. The total value of tokenised real-world assets excluding stablecoins is around US\$5 billion for 2024, primarily across commodities, private credit, and US treasuries, according to estimates by the paper. On the other hand, the total addressable market size for tokenised trade finance, including the trade finance gaps, amounts to around US\$14 trillion.

Expected market size for overall tokenised real-world assets could reach up to US\$30.1 trillion by 2034 with trade finance asset tokenisation making up to 16% of the total market then.

Last year, Standard Chartered conducted an initial pilot of a US\$500 million trade

finance asset-backed security token on a public blockchain. Through this initiative, Standard Chartered tested an end-to-end process from structuring to distribution, including a simulated default scenario. The trade finance assets of the bank were tokenised in the form of non-fungible tokens (NFTs), allocated into senior and junior tranches, and distributed to interested investors through an initial token offering platform.

For both banks and institutional investors, the tokenisation of trade finance assets represents a win-win solution. Investors are drawn to adopting tokenised assets to reduce transaction costs and enhance liquidity. For institutions on the supply side, the appeal lies in being able to access new capital, boost liquidity, and streamline operational efficiency.

All banks, not only Standard Chartered, have a critical role to play in providing traditional financial markets with new, more open token-enabled market infrastructure. Trusted entities, banks can validate digital asset issuer and investor identity and run KYC/AML (know your customer and anti-money laundering) checks to determine who should participate in this new interoperable financial ecosystem.

The tailwind comes from multiple stakeholders who will make tokenised assets a reality. In the Asian financial hubs of Hong Kong and Singapore, market participants are working together with financial regulators to study and set standards for such future processes. In Hong Kong, Project Dynamo, a collaboration between Standard Chartered, BIS Innovation Hub Hong Kong, the Hong Kong

Monetary Authority, and technology companies, explores how digital trade tokens can improve the whole supply chain finance process.

Similarly, Singapore has Project Guardian, an industry-wide collaboration between the Monetary Authority of Singapore (MAS) and industry leaders to test the feasibility of asset tokenisation and decentralised finance (DeFi) applications.

The key for governments and financial regulators going forward is to play a proactive role in promoting the responsible growth of the digital asset industry. Clear and balanced regulatory frameworks foster innovation while guarding against the pitfalls observed in the crypto space.



Industry collaboration a must

With several financial regulators already onboard, other market participants need to get actively involved now, with Standard Chartered in the paper calling them to join this tokenisation journey.

Institutional investors must have a strong educational foundation of what tokenised assets are and build internal capabilities to eventually invest in such assets.

Tokenisation can offer specific and differentiated solutions that are aligned with clients' specific risk-return profiles and liquidity preferences. Family offices and high-net-worth individuals (HNWIs) can benefit from a more efficient wealth-growing approach through asset fractionalisation and transparent product structures that will unlock opportunities previously inaccessible to them.

Banks and other stakeholders must enhance collaboration through the integration of different business models such as the development of an industry-wide utility of tokenisation. The broader ecosystem, including technology providers and other players, must collaborate to create a supportive environment. Leveraging standardised processes and protocols for interoperability, legal compliance, and efficient platform operation is crucial.

The industry is currently in a nascent and fragmented state, which is why market-wide cooperation is essential now to solve issues around the widening trade finance gap.

Trade finance tokenisation makes sense now as an impactful way to bridge the global trade finance gap by making it easier and appealing for institutional investors to get involved, thereby opening access for MMEs and SMEs to a new world of capital.

Trade finance, which is often viewed as too complex to invest in in scale due to its multi-party and cross-border nature, can be simplified through tokenisation, which packages assets in unstandardised ticket sizes into a single investable instrument.

Finally, unlike securitised trade finance products and other asset-backed securities, tokenisation is investor-friendly. Coupled with the blockchain provenance, the publicly disclosed offering documents also makes it easier to provide interested investors with the information they need for due diligence.

With a significant amount of upside all-around, the time is ripe for the market to come together, from institutional investors to banks and work with Standard Chartered to make the tokenisation of trade finance assets an industry standard globally to tackle the pressing trade finance gap.

This article was first published on The Asset.

Open banking marketplaces are the app stores for APIs

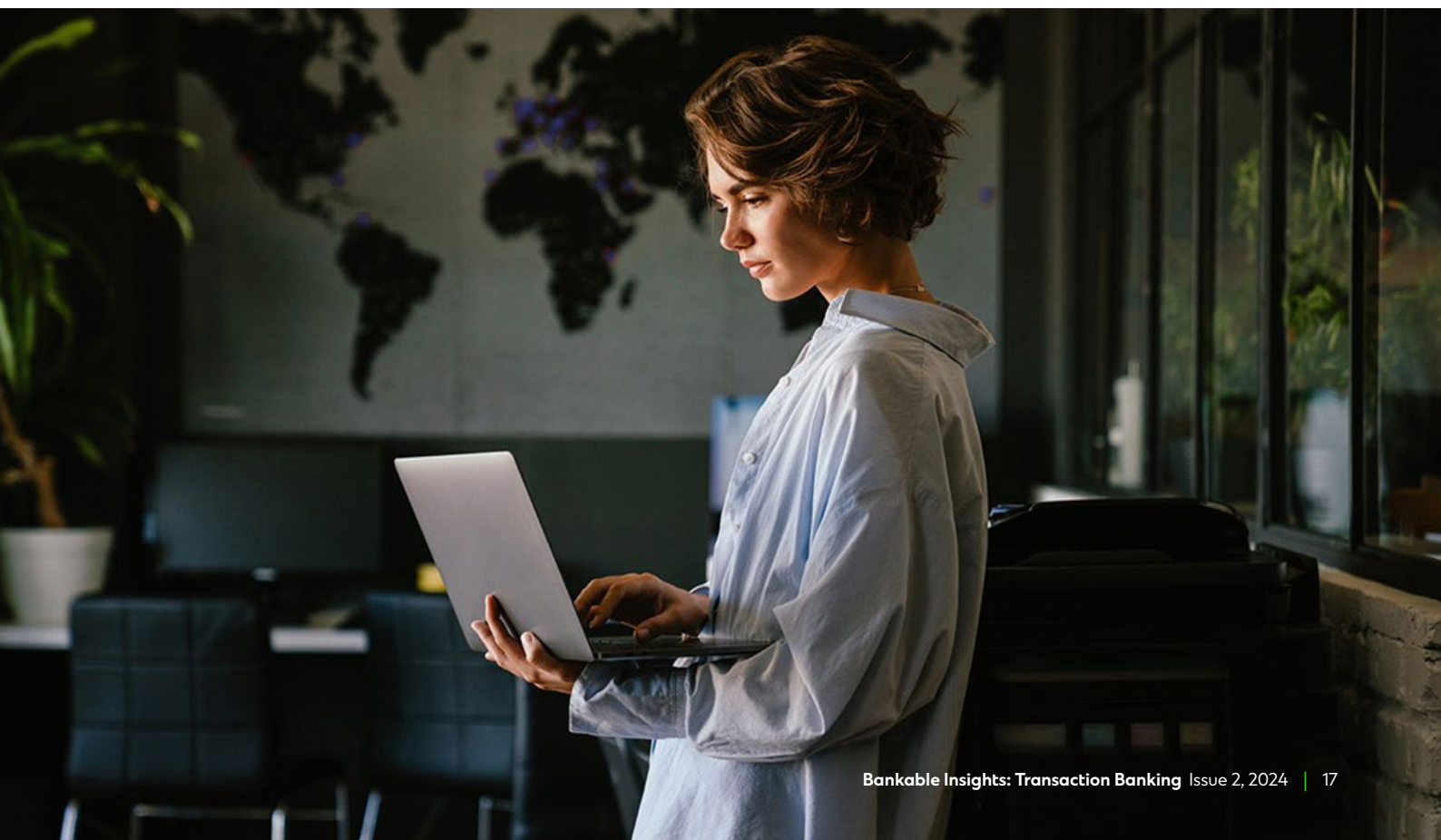
Open banking has transformed the sector and still offers organisations great untapped potential.

Open banking has been a transformative force over the past decade, even though it's largely invisible to those who use it.

Paying with your mobile phone wallet, booking your summer holidays in home currency on a foreign-based travel site and receiving your tax rebate straight into your bank account after submitting a [digital return](#). None of these services would be possible without open banking.

While the spotlight has mainly been on consumer use cases, business applications also hold great potential, from managing complex supply chains to real-time liquidity management and financing enterprises in emerging economies.

To boost the adoption of open banking in business, the industry needs to hone in on improving the customer experience, simplifying the implementation journey and harmonising the regulatory environment.



Open banking opens doors for business

[Open banking is a financial services model](#) that enables third-party platforms and developers to access a customer's financial data through application programming interfaces (APIs).

While traditional banking services have largely operated in a closed model, [open banking decentralises financial services](#). APIs open banks' customer data up to fintechs and other service providers – both domestically and internationally – to create new apps and services with banking at their heart.

While the use of open APIs in corporate banking is still underdeveloped, there are plenty of opportunities, particularly around treasury. For instance, credit and debit notifications in real time via APIs enable companies to reconcile accounts rapidly rather than in periodic batch intervals. By extension, real-time data access also benefits forecasting and managing liquidity.

Shifting the focus from technology to user experience

As it often happens with technology innovations, the narrative tends to be technically focused, which can hinder progress, especially in the corporate world.

Corporate banking applications can't just be downloaded from an app store. They often require specialised partners to implement ERP (enterprise resource planning) systems and associated straight-through processes.

Driving the adoption of open banking requires a shift towards the user experience, making it easier to tap into applications through plug-and-play partnerships.

When integration is required from clients directly or through partners, the solution is open banking or API marketplaces as they deliver a much richer experience and usability than traditional API portals.

The experience these API ecosystems offer is increasingly becoming a crucial decision-making factor for corporate customers selecting a banking partner. That's because it directly impacts customer service quality and can make interworking with the bank much easier.

Creating an open banking marketplace

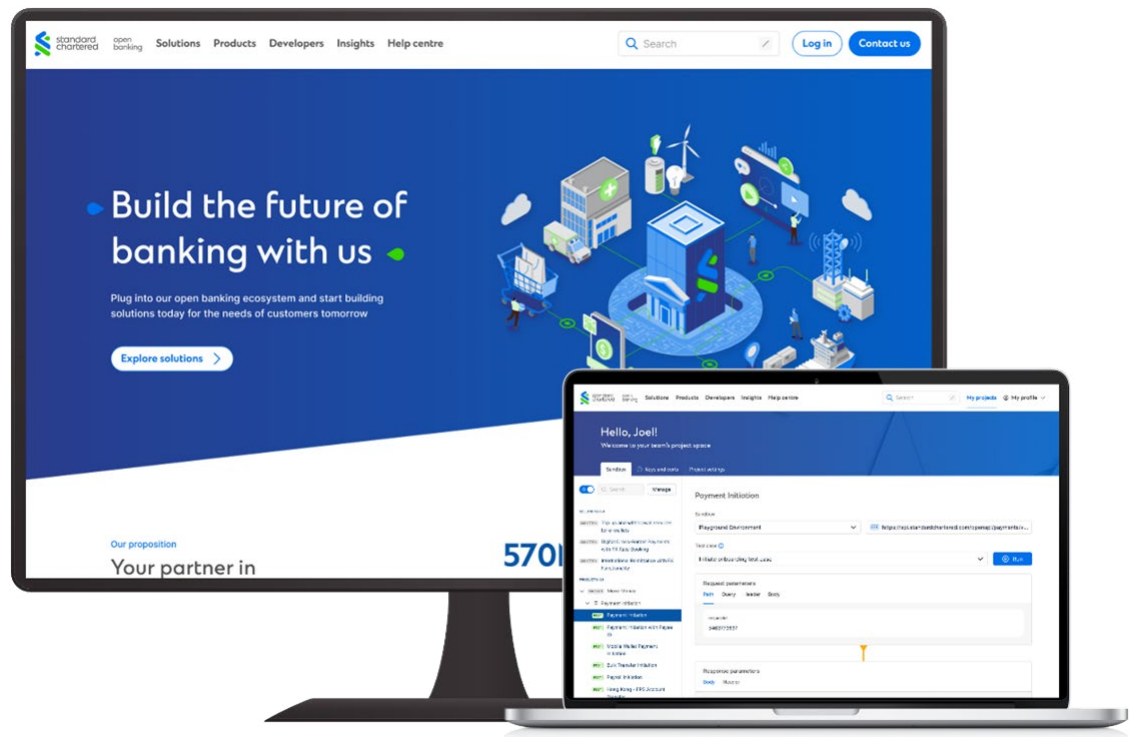
When creating our own [Open Banking Marketplace](#), we carried out extensive research with clients and partners to define what an optimal user experience would look like to them.

We developed digital solutions to address their most common requirements across various industry sectors. These include building blocks or APIs for payment and account information, FX, trade finance and securities services.

Our marketplace also allows users to explore, rapidly prototype and experiment before making a selection.

Working with key partners and platforms enables the pre-integration of our solutions into the customer's platform of choice, cutting implementation time from weeks to days.

By leveraging these factors, the marketplace provides business customers with a single point of interaction for the bank's products and services while offering a single connectivity model and implementation journey for all APIs. In the future, we will incorporate third-party APIs where relevant and where they add value for our clients.



Regulatory oversight and standardisation are vital

In addition to making open banking more accessible for corporate users, regulation and standardisation will be crucial to driving adoption.

[The evolution of open banking](#) differs around the world. In several countries in Asia and the US, it has been largely market-led. Conversely, in the EU and the UK, governments have paved the way with stricter standards and regulations, which have acted as a catalyst for open banking globally.

However, applying different governance strategies leads to fragmented standards, potentially hampering cross-border

usage. This underscores the importance of efforts such as the International Chamber of Commerce and SWIFT's global trade finance API standards for bank guarantees and letters of credit. Other vital harmonising developments will come from data privacy and security regulation.

[To see open banking thrive across borders and reach scale, more needs to be done by both the private sector and regulators to create standardised frameworks that apply across regions or even on a global scale.](#)

Progressing towards an “Open-X” ecosystem

The long-term vision is to create a comprehensive and safe cross-industry data-sharing ecosystem where [embedded finance](#) enables an almost limitless range of integrated services. “Open X” or “Open Everything”, as it's variably referred to, will go beyond banks, fintechs and retailers into sectors such as manufacturing, utilities, healthcare and many others.

In addition to packaging financial and non-financial services together – for example, an e-merchant offering insurance – Open X could even extend to Compliance-as-a-Service, leveraging banks' KYC (‘Know Your Customer’) engines for due diligence.

An ecosystem with this level of integration could also give a major boost to financial inclusion, opening up finance to people and businesses that have not previously been able to access it.

An excellent API experience along with supportive regulation and common standards will be vital to building the momentum needed to see these opportunities abound.

Collaborating on an industry-first complimentary insurance programme for motorcycle riders

Defining a new blueprint for scalable growth through co-creation, focus on customer experience, and leveraging embedded finance solutions.

The evolution of payment rails and growing demand for embedded finance is moving at a rapid rate, especially in Asia. For corporates seeking innovation and growth, this is yet another opportunity to explore new ideas and bring them to life – from business models to improved customer experience and loyalty.

Working with multiple partners could be the key to success. A recent co-created solution that leverages payment rails is helping one corporate strengthen its customer base in the motorcycle industry.



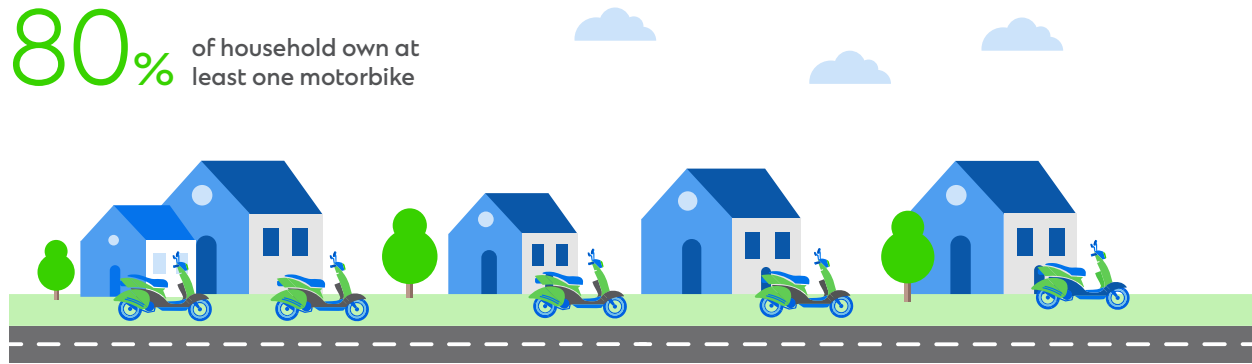
Tapping into regional growth

Many people in Asia depend on motorbikes in their daily lives. In Indonesia and Malaysia for example, more than 80 per cent of households own at least one motorbike.¹ Asia accounts for more than 80 per cent of global demand for motorbikes.²

Such growth offers scalable opportunities for Castrol, one of the world's leading lubricant brands. Castrol prides itself on its innovation on both products and services, this industry first solution is a key milestone in its success with technology and consumers.

In Indonesia and Malaysia

80% of household own at least one motorbike



Going the extra mile

While customer rewards are certainly not a new concept, advancements in technology and data are enabling next-level implementation.

In Castrol's case, the company recently introduced a complimentary insurance protection programme for motorcyclists in Indonesia and Malaysia. The new insurance programme is available free of charge to motorcyclists who purchase select Castrol oil products, with an aim of elevating customer engagement and brand loyalty.

Yet in the era of instant gratification, customers demand more. As such – and in an industry first – this complementary insurance is available instantly, via the use of QR codes.

The policies provide motorcyclists with one month of life cover for disabilities and death caused by road accidents. To enact a new policy, Castrol's customers simply need to scan a QR code and upload a photo of their product receipt and personal details on the Castrol KitaCare portal. They then receive their complementary digital policy within minutes, with zero paperwork required.

The programme has been recently launched in Indonesia and Malaysia with plans already underway for implementation elsewhere in Asia.

¹ <https://www.statista.com/statistics/1373225/asia-household-share-owning-a-motorcycle-by-country/>

² https://www.marklines.com/en/report/rep1897_201907

The power of co-creation

The co-creation behind its development draws together key services from each of Castrol's partners:

- Standard Chartered's embedded finance and [global payment rail capabilities](#)
- Platform offered by an insurtech firm, Zensung Pte Ltd
- Insurance underwriting by a life insurer, MCIS Life for Malaysia

For Castrol, working with its partners proved a far more efficient approach than an equivalent siloed one. Each party leverages their respective strengths, saving time and resources, to accelerate development of the offering for Castrol's customers.

“The Castrol co-creation success story sets a benchmark for the region. Similar collaborative initiatives that bring together solutions and expertise of banks with capabilities of multiple ecosystem players are sure to play a central role in enabling further growth stories. Moreover, such models can often be scaled at ease or even applied across multiple industries.”

Ankur Kanwar

Global Head of Structured Solutions Development and Head of Cash Products, Singapore and ASEAN, Standard Chartered

Leading with scalability

In the Castrol case, the flow of funds that enables the rapid setup of new insurance policies is powered by [Standard Chartered's global payment rails](#). Critically, the Bank's well-established networks will also facilitate the planned scaling of this insurance programme to multiple markets across Asia.

Even prior to the advent of payment rails, Standard Chartered has been a leader in innovative solution design for the region, especially in payments. Client centricity – particularly important in a region as diverse as Asia – is another factor the Bank has long focused on. Combining

these elements, Standard Chartered was the natural choice for Castrol, especially given its existing cash management relationship with the Bank.

With Standard Chartered continually investing in its payment rails, the groundwork has been laid for the regional expansion of Castrol's new programme. In addition, the Bank's data analytics capabilities will help Castrol understand individual market behaviours, enabling the tailoring of marketing strategies and campaigns as it continues its growth pursuits across the region.

A blueprint for prosperity

“At Castrol, we are passionate about providing bikers with the best possible products and experience. This new insurance programme reflects that commitment. We are thrilled to partner with Standard Chartered, MCIS Life and Zensung to offer our customers this valuable complimentary covering, giving them additional peace of mind on every ride.”

Mike Zhang

Vice President Asia Pacific
Castrol

Moreover, innovation also helps boost financial inclusion. With easy access to insurance, bikers who may have previously faced barriers to such products can now be covered without direct engagement with an insurance provider. In turn, this should help build a greater sense of social responsibility among the huge motorcyclist populations in Asia.

With the benchmark now set for co-creation and innovative use of embedded finance, these positive knock-on impacts could soon spread across other industries in Asia – and beyond.

MNCs find ways to free trapped cash in their African operations

Marion Reuter, Standard Chartered's Regional Head of Transaction Banking Sales UK and Europe, and Desiree Pires, Head of Corporate Sales, Markets also in Europe, outline the steps MNCs can take to reduce the risk of trapped cash.

Talk to any multinational doing business in Africa, and the chances are they'll say managing cash and initiating payments across 50 countries and 40 currencies is the biggest challenge. In a landscape characterised by FX and local currency controls, dwindling hard currency inflows and a raft of costs and inefficiencies, they must navigate a new level of complexity to achieve working capital optimisation.



“ Staying on top of complex regulation is one of the biggest challenges. Africa is a key region for many of the bank’s clients. Regulation includes currency controls which often make it difficult to open non-resident bank accounts for a European entity or move funds out of a country – and includes countries where doing business is seemingly easier than others like South Africa. It’s very difficult staying on track with all the regulation. At Standard Chartered we stay close to regulators and have people in country. ”

Marion Reuter

Regional Head of Transaction Banking Sales, UK/Europe, Standard Chartered

Many countries also have country-specific currency controls, continues Desiree Pires, Head of Corporate Sales, Markets also in Europe. Issued by central banks, they aim to regulate capital flows to help countries navigate FX shortages. Controls can take a number of forms and could include central bank approvals for any cross-border flows or additional documentation and restrictions on some types of transaction.

“This can have consequences on a company’s ability to access cash in country. For example, it might not

be able to repatriate funds and make payments for goods or services cross-border,” adds Reuter. It can also consume huge amounts of time and effort in terms of understanding, keeping on top of developments, and general risk management.

The process is also complicated by a lack of transparency which makes it difficult for companies to see how much liquidity they actually have as this is across different banks. “They want to get funds out, but they don’t know where to start,” she says.

Solutions

One of the biggest risks of trapped cash comes from significant depreciation in the local currency. Any devaluation will erode the value of the cash that might be trapped in country, but it is possible for corporates to hedge this risk.

Traditional FX hedging solutions are not available in all countries because many lack a liquid forward market. However, non-deliverable forwards are being offered by banks in an increasing number of currencies and could be used to hedge an exposure. Pires and Reuter are also seeing a growing FX options market in some emerging market countries, including Africa. In certain cases, these may be an attractive solution from a cost

perspective when compared against the cost of rolling forwards, especially given the potential for significant currency moves in these markets.

Corporates also have other options away from traditional hedging. Longer-term, companies could consider agreements with suppliers or customers requesting payment in chosen currencies that reduce the risk of trapped cash, or can be used to offset and reduce net exposures, suggests Pires. MNCs can also navigate the problem by keeping funds in a stable currency. But this is complicated by restrictions on opening non-resident accounts.

The role of local banks

Working with local banks can also help. A mix of local and international banks can support MNCs sourcing additional pools of liquidity in certain markets, although it does depend on the underlying requirement. For example, whilst more than one bank may help with FX liquidity, multiple local banks from a cash management perspective could result in process inefficiencies and increased operational risks.

Partnering with different banks involves bringing different account statements into one system and there will be local banks that are not on Swift. “They can’t send structured

MT940 messages which makes it difficult for treasury systems to pick up the information in an automated way,” says Reuter.

This means that even though technology like ERPs support corporates doing business in the region, sometimes it doesn’t.

Still there are digital solutions. For example, it’s possible to automate cross-border currency payments that reduce the administrative burden for treasury and avoids having multiple currency accounts, especially for minor currencies.

“Africa is increasingly becoming more advanced on the tech side, and this should be on peoples’ radar.”

Desiree Pires

Head of Corporate Sales, Markets also in Europe

Another trend they see is that companies are setting up regional treasury centres to manage Africa more regionally where also the Middle East and especially Dubai are upcoming locations. This works well in combination with a team on the ground.

“From a FX perspective the combination of a centralised and devolved treasury function works well,” explains Pires. The local team play an important role meeting documentation and central bank requirements that require people on the ground with an oversight of the local market. The centralised team based in the Middle East can then take decisions on the materiality of the different risks in the context of the group as a whole, leveraging group wide relationships. “It’s not a question of one versus the other, but of them both being closely aligned,” she says.

Dubai is close enough for people to travel back and forth to Africa and has the talent, concludes Reuter. “In the past, most MNC’s based themselves out of South Africa but now we see more out of the Middle East, especially Dubai which has become a hub for regional treasury centres that manage Africa.”



Listen to the accompanying podcast [here](#).

This article was first published on Treasury Today.

A sustainable trade ecosystem is ASEAN's best route to building resilience

For decades, countries worldwide — and particularly in Asia — have experienced huge rewards from globalisation. Trade has boosted economies and livelihoods, helping to pull millions out of poverty.

However, that trajectory may be at risk. The 2023 [Hinrich-IMD Sustainable Trade Index](#) notes signs of what it calls “slowbalisation”, linked to heightened geopolitical tensions, increasingly protectionist trade policies, and changes in global supply chains. Fragmentation, it warns, could undermine how trade can promote sustainable development.

Notwithstanding these, ASEAN is well placed to thrive. The emergence of

high-growth corridors internally and to Africa and the Middle East, and the rising integration of ASEAN suppliers into the global trade ecosystem as international businesses move their supply chains closer to end-consumers, will see the region boost its share of global commerce. According to our [Future of Trade report](#), intra-ASEAN trade is expected to climb nearly 9 per cent annually over the next decade.



Future-proofing ASEAN trade

How can ASEAN extend the positive elements of trade, to ensure that the bloc continues to be commercially relevant for businesses in the region and beyond? The answer lies in creating a genuinely sustainable trade ecosystem, which has been of increasing importance to consumers, and in meeting core environmental, social and governance (ESG) goals.

ASEAN has trended positively in the sustainability space. To take just two examples of many: Thailand has sustainability at the heart of its overall economic development plan, [Thailand 4.0](#). For Singapore, it's committed to advancing its sustainable development agenda through the Green Plan 2030. Vietnam is also pressing ahead on sustainability, in projects such as renewables and infrastructure, that have been supported

through collaborations with financial institutions. Last year, Standard Chartered played a part in this by [arranging trade loan financing](#) worth up to US\$100 million for state-owned Bank for Investment and Development of Vietnam (BIDV), to boost the availability of green finance for businesses and projects.

Still, there are specific ESG goals to address for ASEAN to create a more robust and sustainable trade ecosystem. On environment, a green data ecosystem that supports credible reporting on climate action is essential. On the social front, inclusive and sustainable finance is necessary to promote social equity – supporting businesses, including women-led and micro businesses. Finally, better governance rests on implementing standardised regulations to drive resilient trade within the region.

Better sustainability-linked data drives funding

For one, data transparency is crucial. Access to high-quality sustainability data will help financial institutions scale up the provision of capital for sustainability-linked projects, including for trade financing, and improved risk-measurement.

Singapore leads in this aspect. In 2020, the Monetary Authority of Singapore (MAS) launched [Project Greenprint](#), supported by Standard Chartered and other industry players, to boost the

provision of good data on sustainability. Two years later, fintech firm STACS launched its [ESG registry](#) as part of Project Greenprint, using blockchain to capture and maintain firms' ESG certifications and data.

With greater transparency and accountability, financial institutions can better channel capital where it's most needed, driving greater adoption of sustainable finance.

Driving sustainable trade finance

Governance is also crucial when it comes to trade finance. Standard Chartered's approach is covered by [our Sustainable Trade Finance Proposition](#), which sets out principles to help businesses implement more sustainable practices across their ecosystems, including building more resilient supply chains.

Any trade finance provided must adhere to the framework, which aligns with both our corporate Key Performance Indicators (KPIs) on sustainability and of regulators we work with. Our extensive on-ground expertise in ASEAN countries ensures we aid clients in driving climate action and community impact, be it by sharing best practices on managing costs, or the sustainability steps undertaken by their peers.

Technology is another tool clients can leverage in their green transition. For instance, Standard Chartered worked with one of the world's leading chocolate producers to create a digital, multi-currency supply chain finance solution that ensures key suppliers (including those in Malaysia and Singapore) get paid early. This serves to boost supplier loyalty.

[Our solution also helps the client reconcile and net invoices among multiple parties, resulting in a final payment and netted cashflow. This seamless, end-to-end financing experience helps accelerate the client's digitisation journey and simplify its trade processes.](#)



Placing people at the heart of sustainability

The E in ESG rightly gets plenty of attention. Climate change, after all, is a vital concern. Standard Chartered has assisted clients in cutting CO2 emissions, improving energy efficiency or revamping logistics. For example, an ASEAN airport sought to reduce noise and meet a range of environmental targets. To counter this, we devised a supplier finance programme that ensured a range of incentives, such as more affordable financing, if their suppliers adhered to KPIs.

The social aspect of ESG is also a strong focus for Standard Chartered. For example, in 2023 we provided loan facilities to a digital business that enables unserved individuals and micro-SMEs in

Malaysia and Indonesia to get access to financial services, with an average loan size of US\$50,000.

More broadly, we've also devised financial products that can help clients meet their sustainability goals. [Our Sustainable Account](#) enables corporate clients to keep access to their cash for day-to-day liquidity requirements, while investing surplus funds to support the UN Sustainable Development Goals.

In addition, our [sustainable trade loan offering for financial institutions](#) also provides these clients liquidity to support the underlying trade flows associated with sustainable development.

Partnering to build a more sustainable approach

One of the most fascinating aspects of trade finance in recent years has been the marked change in clients increasingly prioritising sustainability across their supply chain ecosystems. With demand for sustainable trade financing among our clients in ASEAN doubling in 2023 from the prior year, we expect this positive trend to continue.

As demand gathers pace, it will contribute to more resilient regional trade and strengthen ASEAN's economy more broadly, which can also be further developed through greater

standardisation in regulations. All this should see a more sustainable trade ecosystem emerge to benefit the region.

Ultimately, success will be a matter of partnership between regulators, governments, financial institutions and corporates. While the trajectory is promising, there is much for everyone to contribute to. The rewards are profound – driving climate action, greater community impact and a just transition — all of which are crucial to the growth and development of sustainable trade in ASEAN and beyond.

Record-breaking 120 wins at The Asset Treasurise Awards 2024

Record-breaking

120 wins

The Asset Treasurise
Awards 2024

120 accolades confirm the strength of
Standard Chartered Transaction Banking globally.

Standard Chartered was named Best ESG Transaction Bank for the second consecutive year at The Asset Triple A Treasury Awards dinner in Hong Kong on 14 May. The Bank added Best Liquidity Management Bank for the second consecutive year, and Best in Treasury and Working Capital for LLCs for the fourth year in a row, to conclude the annual Awards with 120 accolades.



“ This year’s wins trumps our record-breaking performance in 2023. These wins are possible only because of the strong partnership and trust clients have in Standard Chartered and the breadth and depth of our Transaction Banking expertise and solutions across industries and geographies. ”

Michael Spiegel

Global Head of Transaction Banking, Standard Chartered

Recognising excellence in the industry, the Triple A honours are a result of a comprehensive judging process which incorporates the Voice of Client. Spanning Transaction Banking, awards highlights include:

- 52 Best Solution and two Leadership (client) awards
- 16 Best RMB Bank
- 33 marquee, market and regional service provider awards spanning Cash and Treasury Management, Liquidity Bank, Trade Finance, Working Capital, and Transaction Banking
- 11 Implementation Manager of the Year, and
- 6 Industry Achievement awards recognising our people as Trade Finance Banker of the Year, Innovation Leader of the Year, Best Relationship Manager and Best Sales Manager

The full list of Standard Chartered wins are below.

Marquee Awards

Best ESG Transaction Bank

Best Liquidity Management Bank

Best Renminbi Bank – Trade Finance

Best in Treasury and Working Capital – LLCs

Leadership Awards

CFO of the Year

Kiran Acharya

– Sandvik Coromant India

Treasury Team of the Year (NGO)

Edward Collis

– Save the Children International

Best ESG Solution

John Holland Group – Australia

Muyuan – China

Yibin Grace Group – China

Quam Securities Limited – Hong Kong

Adani Green Energy – India

Wilmar International Limited – Singapore

Chang Wah Technology – Taiwan

BIDV – Vietnam

Aviation/Logistics

Best Supply Chain Solution

Annto Logics Technology – China

Air India Express – India

Kuehne+Nagel – Vietnam

Best Payments and Collections Solution

Airport Authority Hong Kong –
Hong Kong

Thai Airway International Public
Company Limited – Thailand

Best Cash Management Solution

Shandong Shipping – Hong Kong

Best Liquidity and Investments Solution

Asiatic Lloyd Group – Singapore

Conglomerates

Best Liquidity and Investments Solution

Sinopec Century Bright Capital Investment
(Singapore) Ptd Ltd. – Singapore

Construction/Industrial

Best Trade Finance Solution

Yunnan Yuntianhua Co., Ltd. – China

Best Payments and Collections Solution

Cummins Technologies India Private
Limited – India

Best Supply Chain Solution

Siemens – India

Best Structured Trade Finance Solution

POSCO – South Korea

Consumer Goods/Retail

Best Liquidity and Investments Solution

Lipton Pakistan Limited – Pakistan

Best Supply Chain Solution

PZ Cussons – Thailand

Commodities

Best Liquidity and Investments Solution

BP – Indonesia

Muslim Mas Holdings Pte. Ltd. – Singapore

Best Trade Finance Solution

Wilmar Sugar Pte Ltd – Singapore

Distribution/Procurement

Best Trade Finance Solution

Bao-Trans Enterprises Limited – China

E-Commerce/Media/ Technology

Best Cash Management Solution

Checkout.com – Regional

ShopUp – Bangladesh

Shein – China

Best Hedging and Risk Solution

Anker – China

Best Supply Chain Solution

Nokia Shanghai Bell Co. Ltd. – China

Best Liquidity and Investments Solution

Atome – Malaysia

ST Telemedia Global Data Centres –
Singapore

Best Trade Finance Solution

Measat Broadcast Network Systems
SDN BHD – Malaysia

Best Payments and Collections Solution

PingPong – Regional

Kuaishou – China

PayerMax – Hong Kong

Kredit Pintar Indonesia – Indonesia

Ksher Philippines – Philippines

Circle Internet Financial – Singapore

Coupang – South Korea

eCloudvalley – Taiwan

Education/NGO/Services

Best Payments and Collections Solution

Hong Kong Housing Society – Hong Kong

Healthcare

Best Payments and Collections Solution

IDS Medical Systems Philippines, Inc –
Philippines

FI/NBFI

Best Liquidity and Investments Solution

China Railway Finance Company – China

Best Payments and Collections Solution

Royal Capital Limited – Bangladesh

Generali Vietnam – Vietnam

Manufacturing

Best Hedging and Risk Solution

Walton Hi-Tech Industries PLC – Bangladesh

Best Liquidity and Investments Solution

Luxshare – China

Schindler – China

DUCAB – UAE

Best Supply Chain Solution

MG Motor India Pvt. Ltd – India

Industry Achievement Awards

Innovation Leader of the Year

Steven Hu

Trade Finance Banker of the Year – Flow

Sam Matthew

Best Relationship Manager

Ankush Kumar

Cecilia Cheong

Best Sales Manager

Saumya Srivastava

Stella Ang

Implementation Manager of the Year

Benjamin Ye

Caroline Qian

Chris Chan

Farhad Shameem Chowdhury

Go Ming Han

Ho Miaw Ping

Joao Teixeira

Shiv Kumar Sha

Stefan Coggins

Syed Sajjad Ali

Tim Swain

Service Provider Awards

Best Transaction Bank

China

Hong Kong

Greater Bay Area

Best in Treasury & Cash Management

North Asia

Best in Treasury and Working Capital – LLCs

China

Indonesia

India

South Korea

Best in Treasury and Working Capital – MNCs/LLCs

Hong Kong

Taiwan

Best in Working Capital & Trade Finance

MENA

South Asia

Best E-Solutions Partner

Malaysia

Philippines

Best Fintech Partner

India

Best Service Provider – Cash Management

Bangladesh

Pakistan

China

Sri Lanka

Hong Kong

Vietnam

Best Service Provider – Liquidity Management

Indonesia

Taiwan

Singapore

Best Service Provider – Trade Finance

Bangladesh

South Korea

Pakistan

Sri Lanka

Best Service Provider – Structured Trade Finance

Singapore

Best RMB Bank

Best Renminbi Bank

Bangladesh

Ghana

Kenya

Pakistan

Taiwan

Zambia

Botswana

India

Nepal

Singapore

Tanzania

Germany

Iraq

Nigeria

South Africa

Uganda

Decision time

Europe is at a pivotal point. The region has successfully navigated through a tumultuous period, and a soft landing seems to now be within reach.

Following a prolonged period of stagnation, the European Commission's Spring 2024 Economic Forecast projects GDP growth at 1.0% in the EU and 0.8% in the euro area; EU GDP is forecast to improve to 1.6% in 2025. This is encouraging news.

But Europe's long-term economic growth will not be created by intra-European activities alone. Growing relationships with rapidly expanding markets across Asia, the Middle East and Africa will be key.

Don't miss our discussion on perspectives about how European issuers and investors can navigate geopolitical risks, monetary policy changes, energy transition and supply chain disruptions to identify new opportunities for growth.

Watch the video below for insights from Standard Chartered's Global Credit Markets Forum 2024, Paris.



Thank you for reading

Bankable Insights: Transaction Banking

Issue 2, 2024: Leading the change

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