

# TSU/BPO: Is paper still essential for Trade transactions?

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3 Steps toward providing the TSU/BPO Service**

# 1. About NTT DATA Getronics

## Clients

- 3 Major Japanese Banks
  - ✓ The Bank of Tokyo-Mitsubishi UFJ
- Japanese Branches of Foreign Financial Institutions
- Tier 3 Japanese Banks
- Japanese Securities Company
- Japanese Trust Banks

Established	September 21, 1960
Headquarter	Tokyo, Japan
Capital	831.81 million yen
Shareholders	NTT DATA Corporation 70% Getronics Finance Holdings B.V. 30%
Employees	587

## Financial Solutions

- SWIFTNet
- BOJ-NET Connectivity
- Anti-Money Laundering
- Transaction Banking

Business Solutions

**NTT DATA**

NTT DATA Getronics Corporation

IT Services

Smart Devices Solutions

### What could be issues of Letter of Credit (L/C)?

#### 1. WORKLOAD

High volume of workload for both corporates and banks

#### 2. OPERATION TIME

Longer operation time for document checking by using paper based L/C

#### 3. COST

High costs to take Bank's L/C service for corporate customers



#### TRANSACTION

Increasing of Open Account transactions

***"Letters of credit are dead. These days, only around 10% of our business is based on them, yet we still have banks constantly approaching us trying to sell an expensive and complex product that doesn't suit our needs."***

**Gary Slawther, treasurer at Octal Petrochemicals**

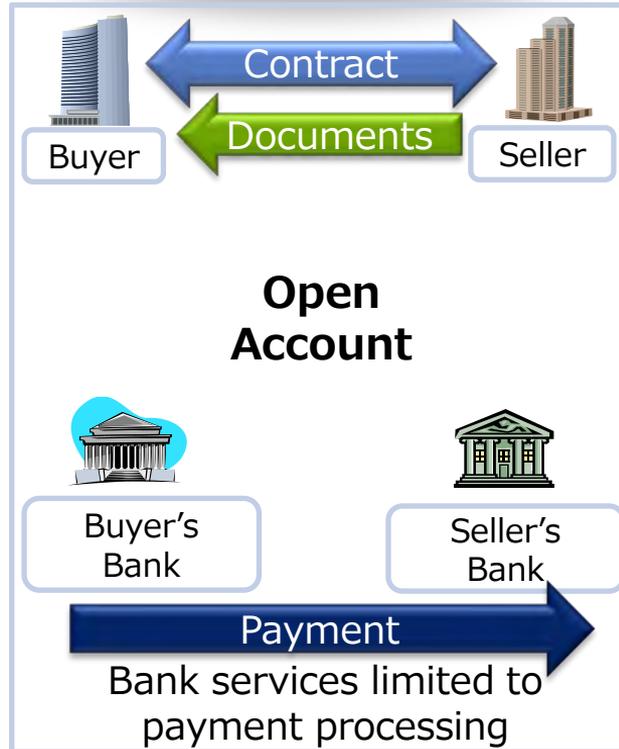
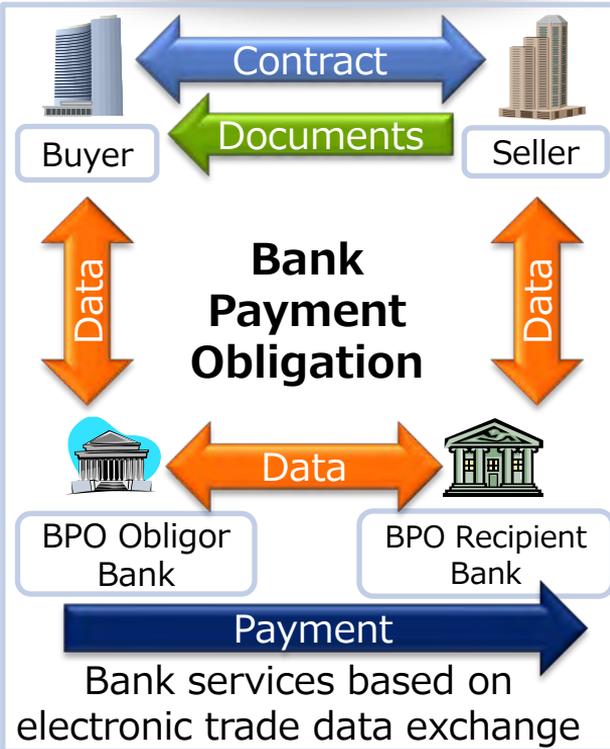
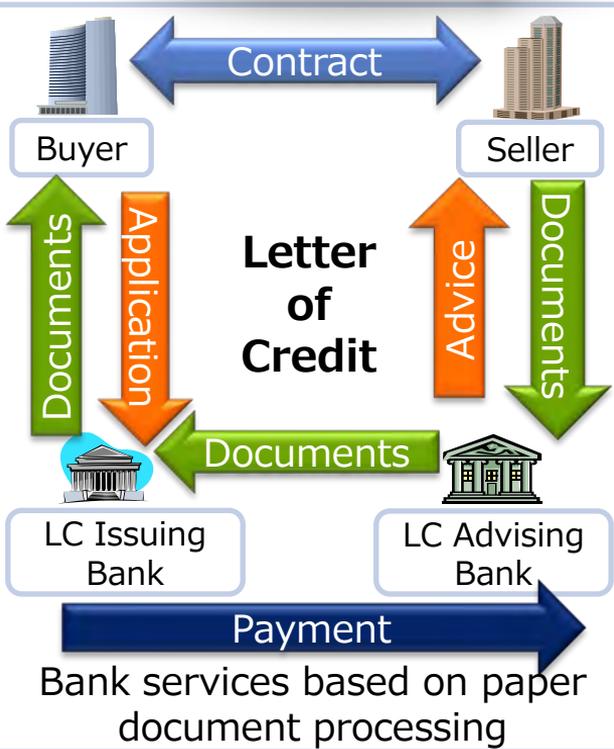
**TSU/BPO can be one of the new solutions for these issues in Trade Finance.**

## 2. Current Issues in Trade Finance

### Data Matching

### Irrevocable

### Undertaking



# 2. Current Issues in Trade Finance

**Trade** (average daily live FIN messages in millions)

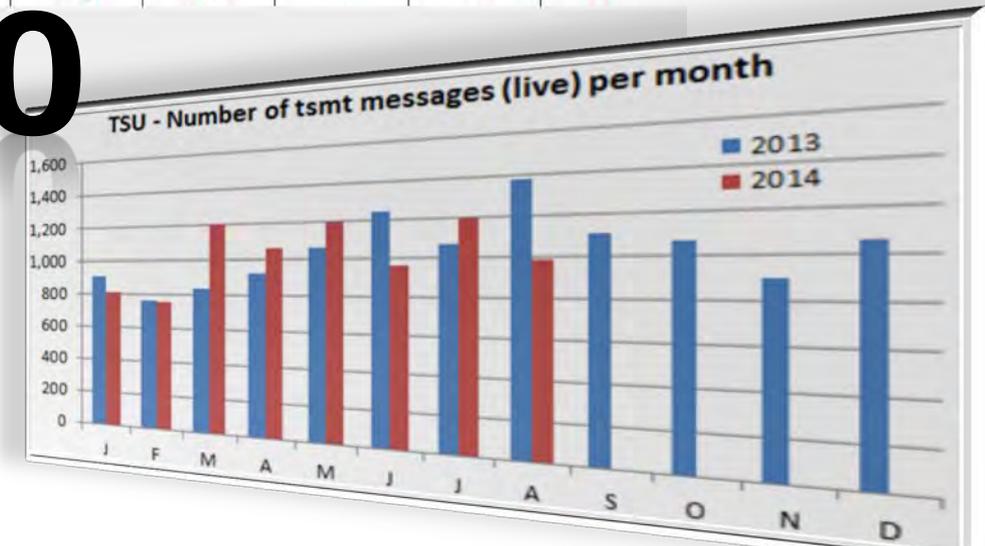
**Apr** WTO reports that world trade will remain subdued in 2013 after sluggish growth in 2012 as European economies continue to struggle.

**Sept** WTO economists now predict 2013 growth of 2.5 percent and 4.5 percent in 2014, but they say conditions for improved trade are gradually falling into place.



Feb Trade volumes were negatively impacted by the Chinese New Year.

**42,000,000**  
**VS**  
**12,291**



SOURCE: Sept 4, 2014, Market adoption of BPO, SWIFT's Corporates and Supply Chain team

# THE BENEFITS | THE FACTS

# GAP

- » Streamlining operational processes
- » UR BPO ICC Uniform Rules

- » Low awareness
- » A few participating banks

Why TSU/BPO has not been expanded yet?

It is now in the phase of the TSU/BPO expansion where these gaps exist.

Why banks have not fill these gaps so far?

Its investment? There would be big bang approach or step-by-step approach.

Approach

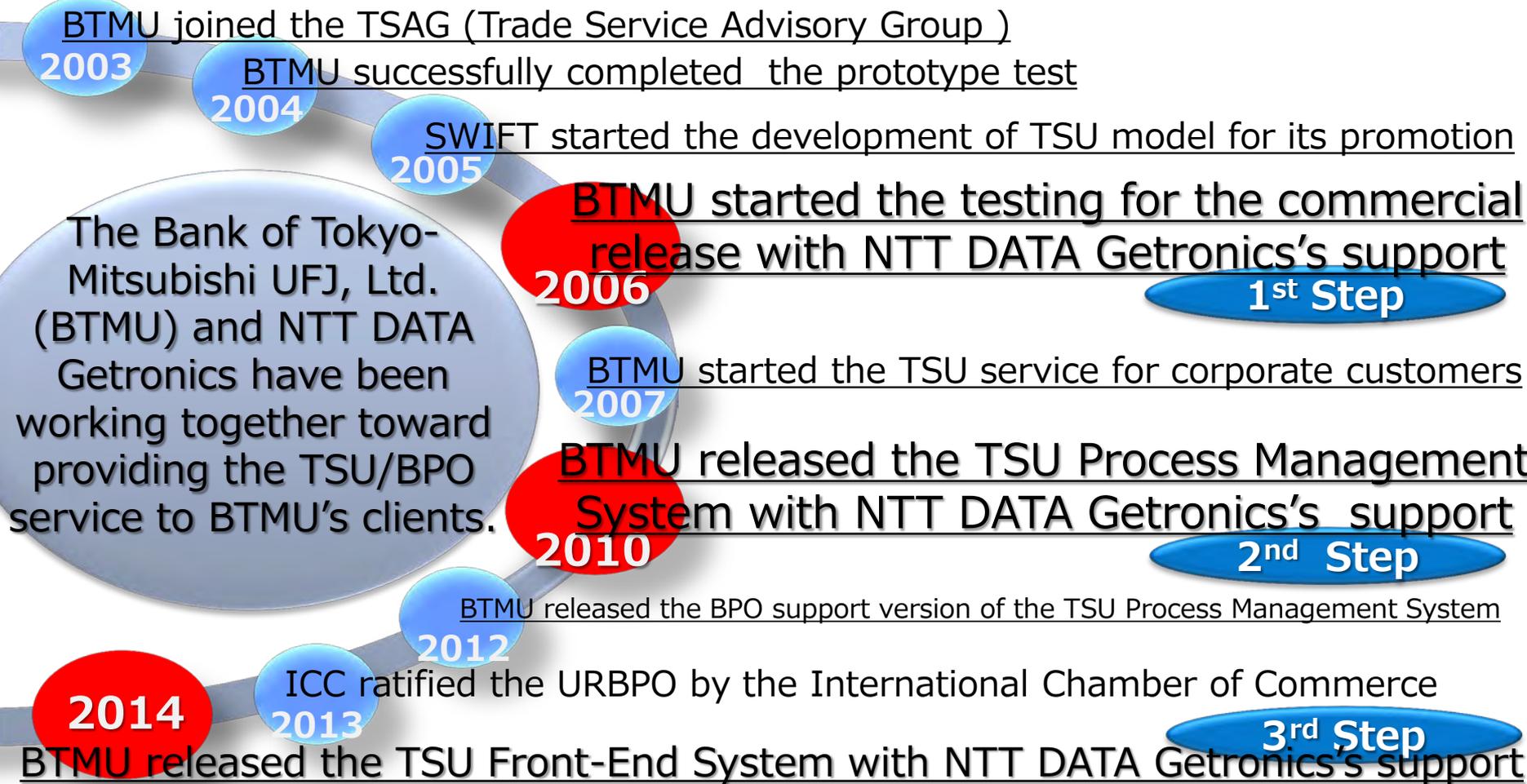
**L/C**

# TSU/BPO SERVICE

Approach

**OA**

### 3. Case Study: 3 Steps of BTMU's approaches to TSU/BPO



### 3. Case Study: 3 Steps of BTMU's approaches to TSU/BPO

» BTMU commenced the TSU service with minimum effort for their corporate customers by using the Standalone Alliance WebStation.

1st Step

Trade Services Utility Interface



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SWIFTNet Trade Services Utility

Log off

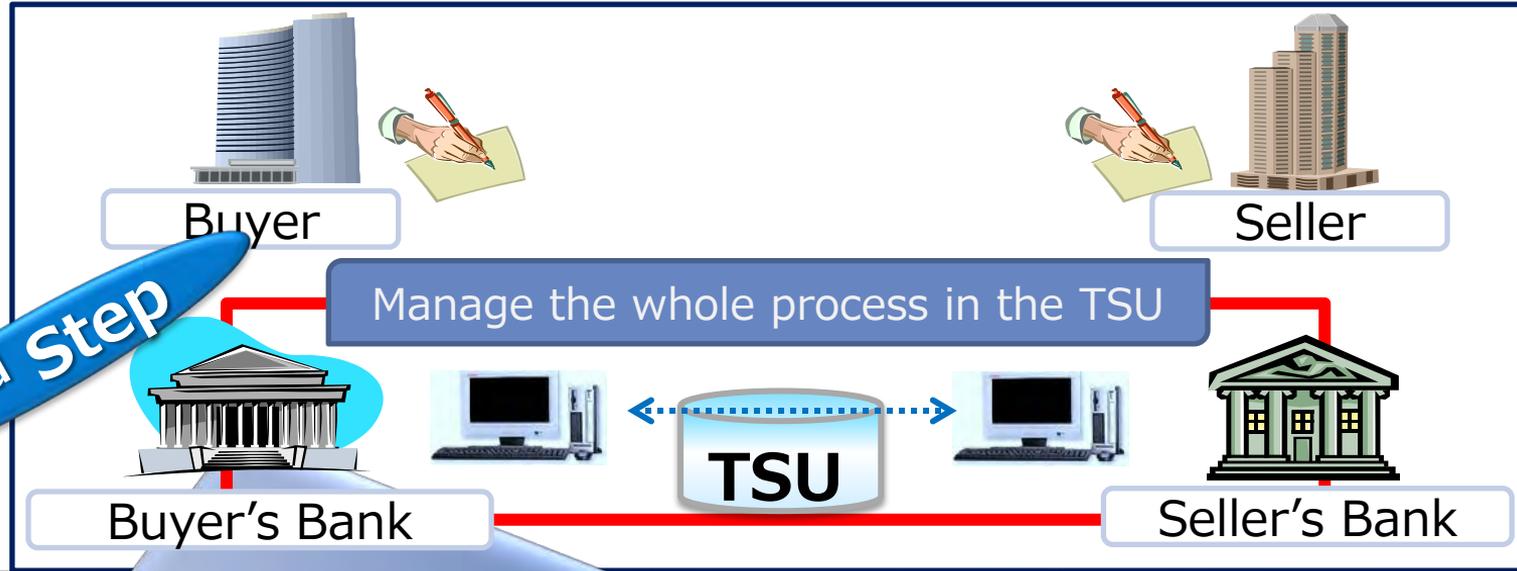
Transaction List Message List Active Messages Report List Activity Log Communication

Filtering criteria

Transactions

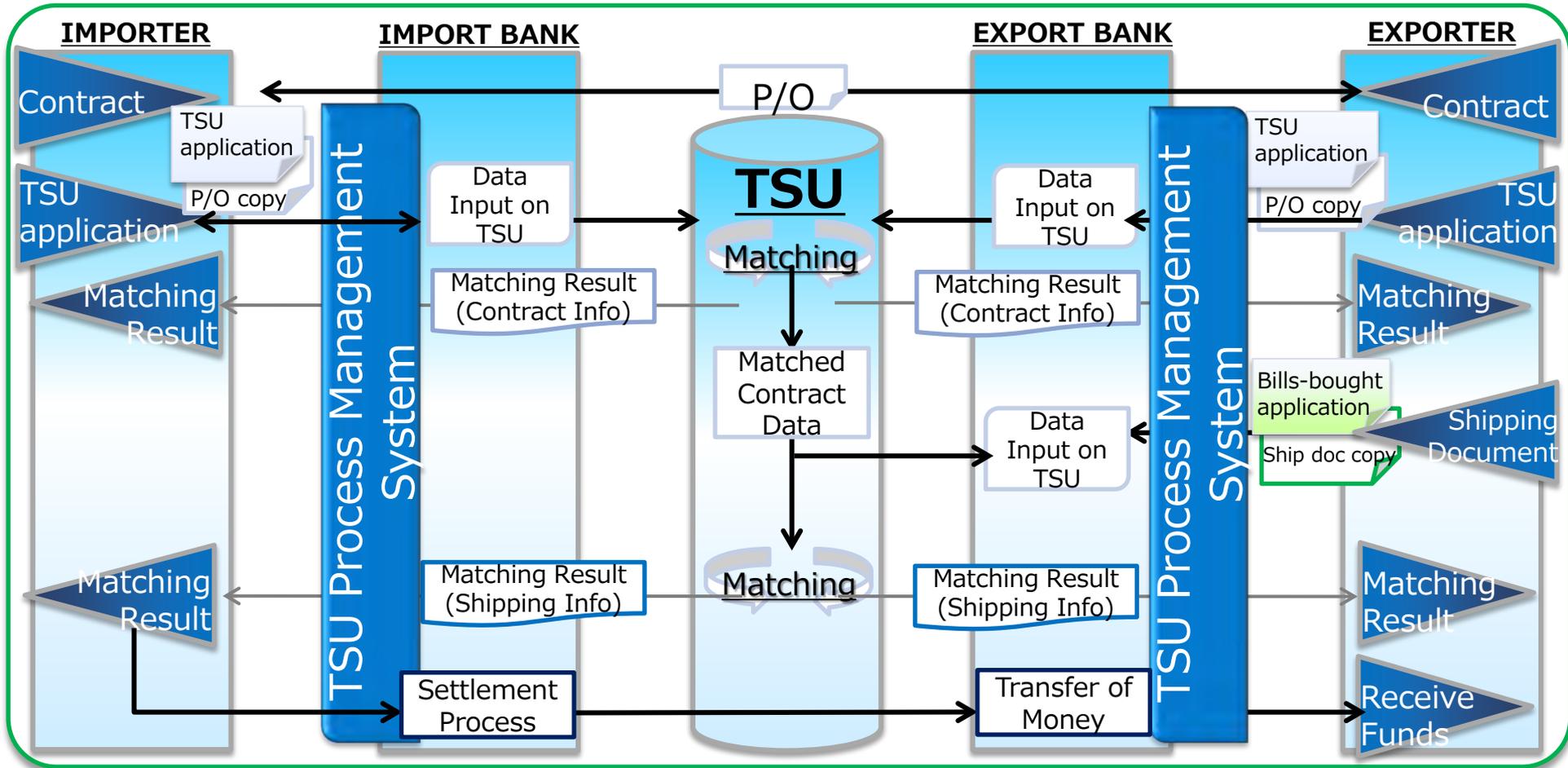
PO ref.	Buyer name	Seller name	My ref.	CP ref.	Role	Ordered amt.	Accepted amt.	Curr.	CP bank	Date	T. Status	TID
20111014-171-0102	KB CO.	KC CO.	REF20110629-159	171-0102	Receiver	11,000	3,000	USD	PTSAJPKB	01 Mar 12:30	Active	01318576899-5132-40
										20 Dec 19:14	Initial	
										29 Nov 17:46	Initial	
										28 Nov 19:02	Initial	
										25 Nov 16:01	Initial	
										21 Nov 22:16	Initial	
										18 Nov 15:37	Initial	
										18 Nov 14:47	Initial	
										18 Nov 14:42	Initial	
										12 Oct 12:45	Initial	
										18 Mar 15:08	Initial	
										18 Mar 14:58	Initial	
										03 Mar 14:03	Initial	
										26 Jan 14:28	Initial	
PO20090123-1	NTTDataGetronics	NTTDataGetronics	2009TSU0123-01			100,000		JPY	PTSJPKK			

### 3. Case Study: 3 Steps of BTMU's approaches to TSU/BPO



- Reducing operational risks to avoid missing out an appropriate operational flow or missing documents:
  - ✓ Consistency operational status management from the beginning of receiving Purchase Order (PO) data to these payments
- Reducing compliance risks through rigorous paperwork procedures:
  - ✓ Using audit trail

### 3. Case Study: 3 Steps of BTMU's approaches to TSU/BPO



## TSU Process Management System

SCREEN  
IMAGE

**TSU PROCESS MANAGEMENT SYSTEM**    opera001    Opera001    MENU    LOGOUT

**BASELINE(PO)DETAIL**    Creation Time: 2011/11/25 15:28

TSU NO.	IMP 249-01	TID	
PO NO.	POR20110629-159	ENTRY DATE	2011/11/25
CURRENCY/AMOUNT	USD 11,000	BRANCH	101
BIC	PTSBJPKK	STATUS	UNDER BASELINE ENTRY
CUSTOMER	NTT DATA Getronics Corporation.	CONTACT	
PHASE	NEW ENTRY	BPO INITIAL AMOUNT	-
MATURITY DATE	2011/11/26	BPO BALANCE	-
BPO	NONE		

**Baseline    DataSet    Goods    LineItemDetails    ContactInformation**

TSU NO. 123456    RETRIEVE

**Details**

SubmissionIdentification \* ERWS#B22266#PTSBJPKB    CreationDateTime \* 2011/06/29 12:41:49

SubmitterTransactionReference Identification \* 249-01    Instruction \* FPTR

**Baseline Details**

SubmitterBaselineIdentification Identification \* 12345678901234567890123456789012345    Submitter \* BOTKJJPJTFUK

Version \* 123456789012345678

Service Code \* LEV1    Intent To Pay Expected \*

Latest Match Date 2011/11/25

Purchase OrderReference Identification \* 12345678901234567890123456789012345    Date Of Issue \* 2010/06/30

**Buyer/Seller**

Buyer Bank \* BOTKJJPJTFUK

Name \* 1234567890123456789012345678901234567890123456789012345678901234567890

ProprietaryIdentification Identification 12345678901234567890123456789012345    Type 12345678901234567890123456789012345

PostalAddress Street 1234567890123456789012345678901234567890123456789012345678901234567890

Post Code 1234567890123456    Town 12345678901234567890123456789012345

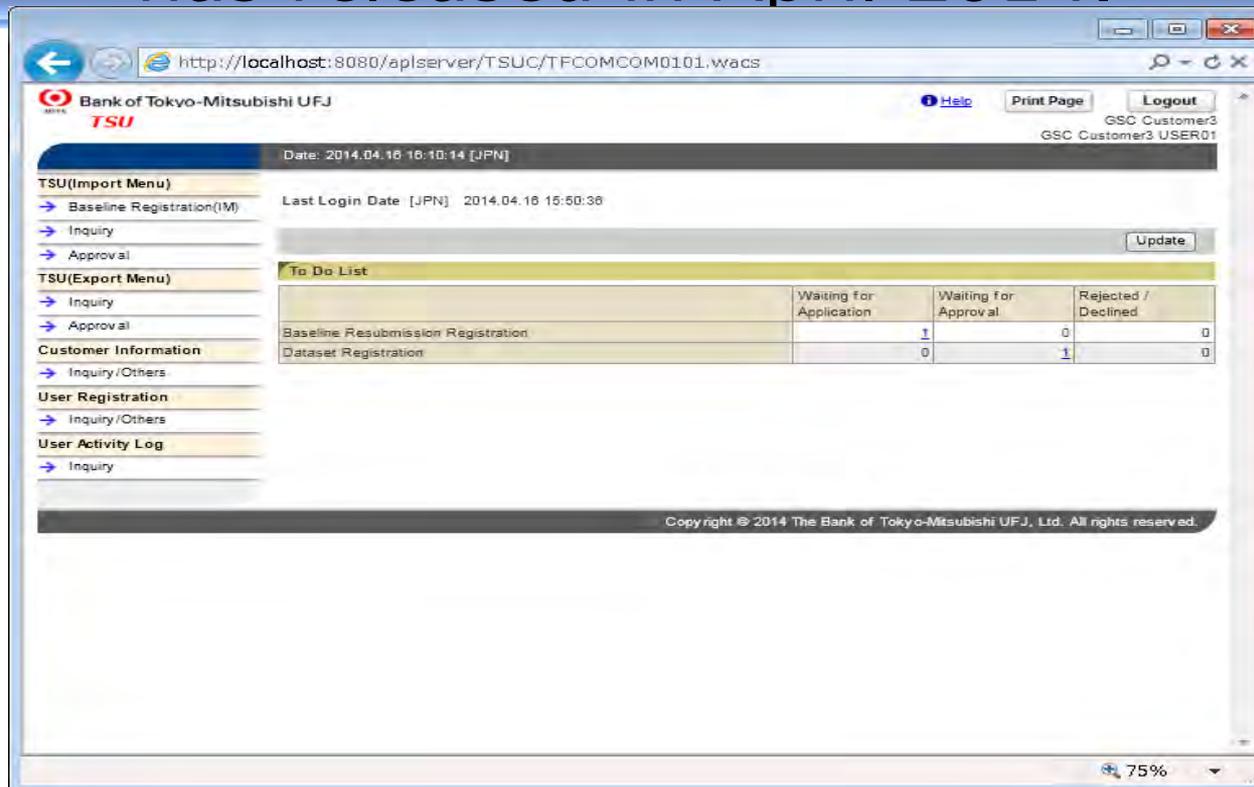
SubDivision 12345678901234567890123456789012345    Country \* JP

## FUNCTION OVERVIEW

- Status management
- Accept clients documentations
- Accepted reference data
- Data approval
- Notification to clients
- Transaction trail reference
- Settlement date management



# BTMU TSU Front-end System service has released in April 2014.



### 3. Case Study: 3 Steps of BTMU's approaches to TSU/BPO

#### BTMU's Global TSU Network (As of Sep2014)



## 4. BTMU and NTT DATA Getronics: 3 Steps toward providing the TSU/BPO Service

### 1<sup>st</sup> Step

#### **BTMU:**

- » Established the TSU/BPO operational flow based on L/C operational flows

#### **NTT DATA Getronics:**

- » Set up the SAB system

### 2<sup>nd</sup> Step

#### **BTMU:**

- » Established the process management

#### **NTT DATA Getronics:**

- » System Development for the process management

### 3<sup>rd</sup> Step

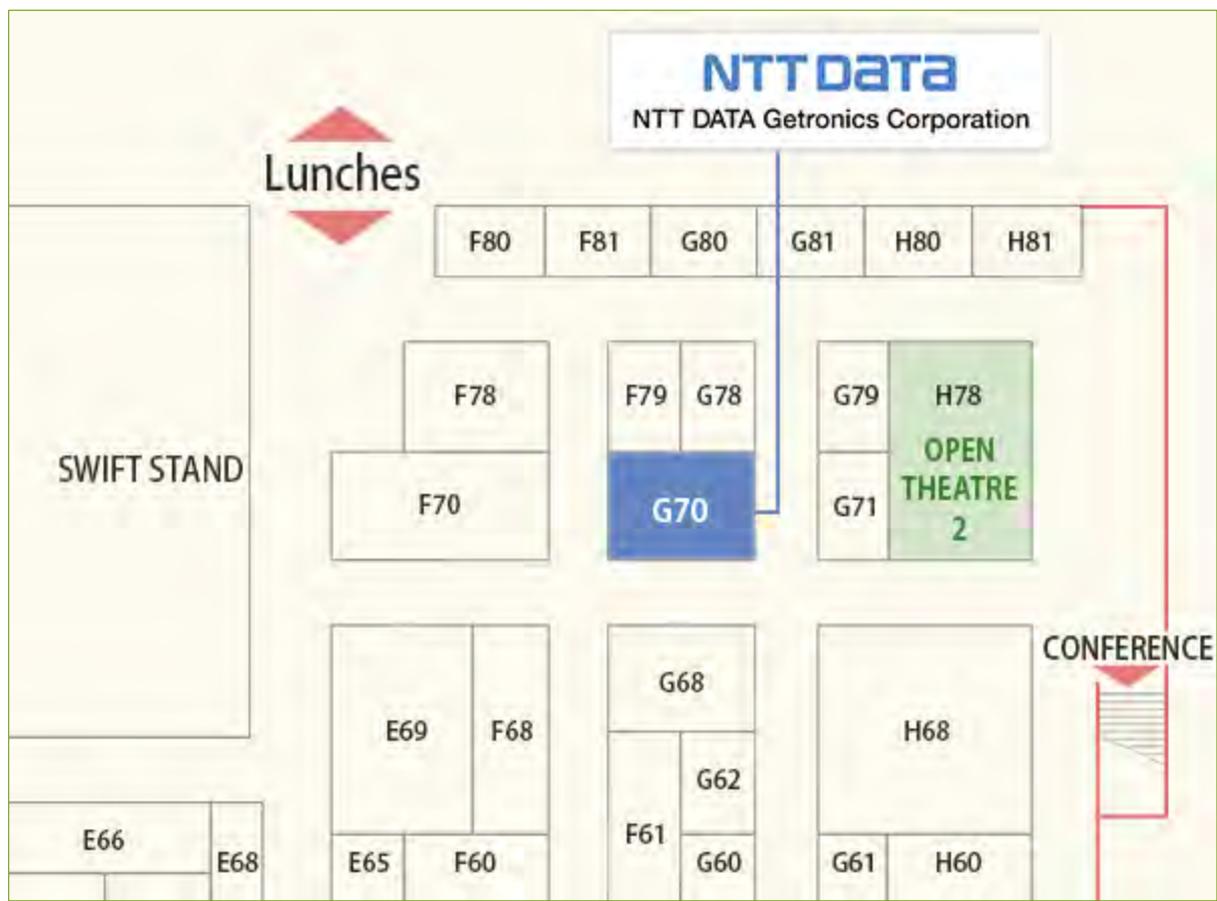
#### **BTMU:**

- » Increased the level of the services to their customer

#### **NTT DATA Getronics :**

- » System Development of the TSU front-end system

# 4. BTMU and NTT DATA Getronics: 3 Steps toward providing the TSU/BPO Service



Sense it.  
Make wonders.™



**NTT DATA**  
Global IT Innovator