

## **Webinar on Trade Digitization and Regulatory Developments in India**

The webinar was organised jointly by FEDAI and The International Trade and Forfaiting Association (ITFA) on September 5, 2020. ITFA works with financial institutions across the globe towards development of trade and forfaiting. The purpose of the webinar was to give the participants a glimpse into the latest developments in the captioned subject across the world, with particular reference to India.

During the session, speakers shared their views and ongoing activities around trade digitisation and regulatory advocacy. It was agreed that technology has more to offer when it is endorsed and integrated in regulatory changes. Examples include the use of electronic signatures as well as the use of electronic messaging and cloud technologies. The speakers included representatives from ITFA, International Chamber of Commerce (ICC), State Bank of India (SBI), ICICI Bank and Traydstream.

ITFA presented the recently established TERA task force which stands for Technology Experts for Regulatory Action and which focuses on 5 areas: electronic signatures, digital negotiable instruments, digital bills of lading, cloud-based trade document processing and trade finance as funding channel for COVID-19 public relief programmes. ITFA has established two key technology initiatives to tackle key market developments: Digital negotiable instruments using DLT (DNI Initiative) and automating trade distribution to institutional investors (TFD Initiative).

Both State Bank of India and ICICI Bank presented their technology initiatives targeting corporates via DLT-based technology and platforms for supply chain finance. It was highlighted that digitised documents are currently not accepted by law such as bill of lading, bill of exchange, certificate of origin and product certificate. Many other trade-related documents have been digitised in the meantime. Banks talked about setting up of Blockchain Infrastructure Company (BIC) and ongoing work on various digitization initiatives, viz, e-stamping and e-Invoicing to drive digitization initiatives in the country. The "National Logistics Portal" was highlighted as a key initiative to facilitate trade through a light regulatory ecosystem.

The representatives of SBI and ICICI Bank were of the view that partnering with Fintechs offer many opportunities to progress digitisation in a pragmatic way through Open APIs, smart automation, blockchain and DLT, artificial intelligence and internet of things.

Traydstream - one of the ITFA Fintech members and founding member of the TERA task force - demonstrated how digitisation can be progressed in the trade back-office whilst other developments are taking place in the corporate-to-bank and inter-bank spaces.

ITFA and FEDAI look forward to progressing such talks with the Indian banks, and bring examples of regulatory decisions being worked on (e.g., Bill of Exchange Act) in other countries such as the UK.