



**International Chamber of Commerce**

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## **Communications and Media Relations**

### **MEDIA RELEASE**

#### **SWIFT and ICC collaborate on enhanced rules and tools for trade finance**

Declaration of Cooperation paves way for market acceptance of the Bank Payment Obligation instrument

Paris, 21 September 2011

SWIFT, the financial messaging provider for more than 9,700 financial institutions and corporations in 209 countries, and the Banking Commission of the International Chamber of Commerce (ICC) have signed a Declaration of Cooperation that will enable industry-wide adoption of the Bank Payment Obligation (BPO).

The ICC Banking Commission is a global rule-making body for the banking industry and a worldwide forum of trade finance experts whose common goal is to facilitate international trade finance.

The BPO will offer an alternative means of settlement in international trade and will provide the benefits of a letter of credit in an automated environment. It enables banks to offer flexible risk mitigation and financing services across the supply chain to their corporate customers.

Both ICC and SWIFT believe that by working together and leveraging their respective positions across the trade finance community, the BPO will have an important role to play in the development of international trade by addressing cost pressures in the face of increased automation and changes in the regulatory environment.

Kah Chye Tan, Global Head of Trade and Working Capital, Barclays and Chair of the ICC Banking Commission indicated: "Trade finance is a critical banking service supporting the world economy. It is vital that the industry aligns on enhanced rules and tools in support of trading counterparties whether large or small. The ICC Banking Commission views the development of the BPO rules and the related ISO 20022 messaging standards as strong foundations for banks to provide modern risk and financing services aligned with today's technology evolution."

Gottfried Leibbrandt, Head of Marketing, SWIFT, further explained: "Industry forecasts indicate that merchandise exports will reach US\$ 33 trillion by 2020, from US\$ 6 trillion in 2000. ICC and SWIFT are best positioned to help the banking industry facilitate further growth of trade using innovative solutions. SWIFT is committed to helping its member banks deliver innovation in trade finance to the corporate world."

The declaration, signed at Sibos in Toronto, confirms the framework for collaboration between SWIFT and ICC to publish and maintain a set of contractual rules that will establish uniformity of practice in the market adoption of the Bank Payment Obligation (BPO) and the related ISO 20022 messaging standards.

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### **About the ICC Banking Commission**

The ICC Banking Commission is a leading global rule-making body for the banking industry, producing universally accepted rules and guidelines for international banking practice, notably letters of credit, demand guarantees and bank-to-bank reimbursement. ICC rules on documentary credits, UCP 600, are the most successful privately drafted rules for trade ever developed and are estimated to be the basis of trade transactions involving more than one trillion dollars a year. The Banking Commission is equally a worldwide forum of trade finance experts whose common aim is to facilitate international trade finance across the world. With over 500 institutional members in 85 countries, many of them emerging, the Banking Commission is one of the largest ICC Commissions. [www.iccwbo.org](http://www.iccwbo.org)

### **About SWIFT**

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 9,700 banking organisations, securities institutions and corporate customers in 209 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest. [www.swift.com](http://www.swift.com)