

Trade Finance Services

Banking and Financial Services



For commercial and wholesale banks the world over, trade finance services for corporate banks and small and medium enterprises is a key offering. The ever-increasing digitization of various financial industry functions has reduced manual intervention, maximized customer retention, and brought greater emphasis to data-driven decision making. The trade finance area has however recently embarked on the digital journey.

TCS' Trade Finance Services suite combines our expertise in trade finance operations and digital technologies, to enable financial services firms to create a transformation roadmap that is aligned with both business strategies and customer expectations, to maximize business value. Powered by artificial intelligence (AI), machine learning (ML), and natural language processing (NLP), the services suite spans domain consulting, operations services, change management, and cognitive solutions.

Overview

The trade finance area is plagued by operational inefficiencies, with over 80-90% of processes being manual and paper based, most of which require inputs from highly-skilled subject matter experts. When the continued maintenance of near-obsolete legacy systems is factored in, businesses see escalating operating costs and dipping margins. Commercial banks also function in a dynamic and stringent regulatory environment; failure to comply can lead to monetary losses and reputational damage.

Traditional trade finance offerings, like letters of credit (LCs), have become less popular as counter parties gradually move to the low cost and relatively hassle-free option of open account trade. Further, due to the lack of proficiency in data reporting and analysis, banks are unable to effectively detect revenue leakage and identify new revenue-generating customer segments. The constant demand to improve customer experience (CX) in the light of evolving expectations shouldn't be ignored either. Challenges in retaining talented personnel, maintaining quick turnaround times (TAT), and ensuring superior service delivery also remain.

To remedy this situation, TCS offers a bouquet of services leveraging its domain knowledge, operations experience, technology expertise, experience in process optimization, and in-depth understanding of the regulatory landscape. Backed by AI, ML, and NLP, TCS' Trade Finance Services Suite helps commercial banks enhance CX, improve employee productivity, optimize costs, and reduce compliance risks.

Our Solution

TCS' end-to-end services include:

- **Business operations support:** Our comprehensive portfolio spans support services across origination, transaction processing, customer service for letter of credit, documentary collections, open account, guarantees, standby letter of credit, and loans and financing (both traditional and open account trade)
- **Digital solutions:** OneTouch upload for bulk document upload; cognitive optical character recognition (OCR) solutions to intelligently process images into data points; intelligent document checker to automate checking of documents per ICC guidelines and compliance regulations; automated disambiguation rule engine (regtech solution) to eliminate manual screening of false sanction hits; automated email clearing solution for faster query resolution; advanced analytics solution for actionable insights
- **Domain consulting:** Business analysis for platform rollouts and other IT enhancements; business process modeling; as-is and to-be process maps; target operating models
- **Change management:** User acceptance testing services; project management office services; enterprise support services



Benefits

TCS' Trade Finance Services suite delivers four key benefits: enhanced CX, improved operational productivity and efficiency, reduced regulatory and compliance risks, and optimized costs.

With TCS' support, commercial banks worldwide have realized the following benefits:



Gain greater than 25% improvement in productivity through process reengineering, standardization, and automation



Over 45% TAT improvement for critical trade transactions through imaging and workflow system



More than 20% improvement in cycle time through LC issuance automation



Over USD 20 million value of transactions fraud and sanction risks averted through rigorous monitoring, training, and appropriate controls



Nil post-production defects for over 2,000 global users migrating to new trade platforms



Over 70% reduction in errors due to revamped trade finance operations



Up to USD 3 million potential saves in operational costs by leveraging benchmarking, standardization, and automation

The TCS Advantage

By partnering with TCS, commercial banks stand to gain from the following differentiators:

Domain expertise: TCS has over 20 years of experience in partnering with global, large and mid-sized banks. With our Trade Finance CoE and our sustained banking engagements across 62 countries, we are ideally placed to manage the entire trade finance lifecycle. We have also complied with best practices for across-the-board adoption. Banks across the globe have established strong fraud control mechanisms by utilizing TCS' expertise in industry-wide applications and in structuring complex trade agreements. Our subject matter experts have CDCS accreditations, and specialize in advisory services pertaining to UCP 600, ISP 98, URR 725, URC 522, and ISBP.

Delivery excellence: TCS' dedicated team of over 1,500 associates, including over 150 CDCS-certified trade finance professionals processes over 4 million transactions every year to offer flexible, scalable engagement models and business value to clients through continuous process improvements and maintaining quality standards and robust risk controls.

IT-BPS synergy: TCS' market leadership in providing BPS and IT allows richly talented domain experts, including business analysts and consultants across operations and IT on the same platform, leading to quicker IT-enabled solution delivery, and bringing out the best of technology and business processes.

Awards & Recognition



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Blog: [Drive Governance](#)

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Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

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