

Seven Major European Banks Select IBM to Bring Blockchain-Based Trade Finance to Small and Medium Enterprises

-- Blockchain network designed to help make domestic and cross-border commerce easier

-- IBM Blockchain running Hyperledger Fabric Selected for Digital Trade Chain

ARMONK, N.Y., June 26, 2017 /PRNewswire/ -- IBM (NYSE:[IBM](#)) today announced that it has been selected by a [consortium of seven of Europe's largest banks](#) to build and host a new trade finance platform based on IBM Blockchain powered by Hyperledger Fabric. The platform is designed to simplify and facilitate domestic and cross-border trade for small and medium enterprises in Europe, while helping to increase overall trade transaction transparency.

Through a global competitive bidding process, IBM was selected by the Digital Trade Chain Consortium which consists of Deutsche Bank, HSBC, KBC, Natixis, Rabobank, Societe Generale and Unicredit.

The Digital Trade Chain solution will run in the IBM Cloud and is designed to connect the parties involved in a trade transaction, both online and via mobile devices. It is designed to simplify trade finance processes by addressing the challenge of managing, tracking and securing domestic and international trade transactions.

"To make the Digital Trade Chain network a reality and enable it to serve potentially thousands of the consortium's banking clients, we turned to IBM in enterprise blockchain to help us quickly bring this highly scalable system into production," said Rudi Peeters, CIO, KBC on behalf of the Consortium. "Their blockchain and banking industry expertise will help us create a new platform for small and medium businesses in Europe that can enable them for faster, easier and cheaper trade transactions."

By addressing the financing gap of small and medium enterprises (SME) – a traditionally underserved market segment – the solution is anticipated to help open new revenue streams and initiate new trading relationships and foster trade growth. According to the World Bank, 50 percent of SMEs do not have access to formal credit.*

The platform will also increase access to financing by infusing cross-border trade transactions with accountability and transparency. The highly scalable platform can support customers from all banks in the consortium and helps equip SMEs to initiate trade with new partners domestically or in other European markets. With the Digital Trade Chain, SMEs will have access to an easy to use platform that provides a consolidated view of trade transactions. This in turn helps promote accountability in transactions, gain access to capital and contributes to reducing some risk. The Digital Trade Chain also optimizes some administrative tasks for SME customers by digitizing the entire supply chain process from order to settlement, and allows trading partners to track and trace transactions as they are processed.

"In working with hundreds of clients around the world on a diverse range of blockchain projects, trade finance has emerged as one of the strongest use cases for the technology," said Marie Wieck, general manager, IBM Blockchain. "By addressing the SME market, which faces challenges in data sharing and access to capital, the Digital Trade Chain Consortium is pioneering a unique blockchain solution with the potential for widespread impact."

The Digital Trade Chain network will be built on Hyperledger Fabric v1.0.0, an open source blockchain framework and one of the five [Hyperledger](#) projects hosted by The Linux Foundation, and hosted on the IBM Cloud. The Digital Trade Chain is expected to go into production by end of 2017. The consortium started in January 2017 with seven European banks and is expected to grow to include additional banks from other countries and as well as trading partners such as shippers, freight forwarders and credit agencies. The Digital Trade Chain concept has already won two industry awards: EFMA-Accenture award for 'best new product or service in banking' and the Global Finance award for 'Innovator in Trade Finance.'

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About IBM

IBM is the leader in open-source blockchain solutions built for the enterprise. As an early member of Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies, IBM is dedicated to supporting the development of openly-governed blockchains. IBM has worked with more than 400 clients across financial services, supply chains, IoT, risk management, digital rights management and healthcare to implement blockchain applications. For more information about IBM Blockchain, visit www.ibm.com/blockchain.

* <http://www.worldbank.org/en/topic/financialsector/brief/smes-finance>

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