

Launch of eTradeConnect and collaboration with we.trade (with photos)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (October 31) the official launch of eTradeConnect, a blockchain-based trade finance platform developed by a consortium of twelve major banks in Hong Kong. Formerly known as the Hong Kong Trade Finance Platform, eTradeConnect aims to improve trade efficiency, build better trust among trade participants, reduce risks and facilitate trade counterparties to obtain financing by digitising trade documents, automating trade finance processes and leveraging the features of blockchain technology.

The commercialisation of the trade finance project was first announced in October 2017 arising from the fruitful results of an earlier proof-of-concept (PoC) trial facilitated by the HKMA. The project was initially led by seven major banks (Note 1) and later joined by five additional banks (Note 2), adding up to a consortium of twelve member banks. eTradeConnect is the first large-scale multi-bank blockchain project in Hong Kong.

In order to facilitate cross-border trades, the HKMA has been proactively looking for opportunities to connect eTradeConnect with trade platforms in other regions. Today, the HKMA witnessed the signing of a Memorandum of Understanding between the operators (Note 3) of eTradeConnect and the we.trade (Note 4) to conduct a PoC trial on connecting the two platforms.

Deputy Chief Executive of the HKMA Mr Howard Lee said, "It is a remarkable moment to witness the birth of the first blockchain-based trade finance platform built by key industry players in Hong Kong. It demonstrates the willingness of the financial industry to adopt new technology in the new era of smart banking. Our next key milestone is to link eTradeConnect with platforms from other regions in order to enable cross-border trade financing. The connection between eTradeConnect and we.trade platform paves the way for the digitalisation of cross-border trades in the Asia and Europe trade corridor, and will serve as a good reference for the future connection of eTradeConnect to other trade finance platforms."

The Chief Operating Officer of we.trade, Mr Roberto Mancone, echoed this sentiment, "we.trade is delighted to partner with eTradeConnect, a platform facilitated by the HKMA. Our co-operation confirms our roadmap and as the first step of developing "network of networks" in blockchain-based trade finance solution. This exciting collaboration has the potential to unlock trade finance barriers for between Europe and Asia and through interoperability create an ecosystem that combines all the different stages

of trade."

Note 1: The seven major banks include Bank of China (Hong Kong) Limited, The Bank of East Asia Limited, Hang Seng Bank Limited, DBS Bank (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited and Australia and New Zealand Banking Group Limited.

Note 2: The five additional banks include Shanghai Commercial Bank Limited, Industrial and Commercial Bank of China (Asia) Limited, Agricultural Bank of China Limited, Bank of Communications Co., Ltd and BNP Paribas.

Note 3: we.trade was established by nine banks in Europe to address the expectations of their customers to make cross-border trade more straightforward. At present, we.trade is available across fourteen European countries.

Note 4: The operator of eTradeConnect is Hong Kong Trade Finance Platform Company Limited; whereas the operator of we.trade is we.trade Innovation Designated Activity Company.

