

Accelerating Global Trade Ecosystem with Compliance, Innovation and Efficiency

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Interview with Mr. Graham Bright JP, Head of Compliance and Operations Euro Exim Bank

Euro Exim Bank is an innovative global financial institution with head Office in St. Lucia and representative office in London. In this exclusive interview with their Head of Compliance and Operations, Mr Graham Bright, he provides revealing insights into the exciting developments in the trade finance industry and beyond. He further shares his views on the broader ethical, social and people issues that are interconnected and indispensable elements in making the bank a global success.

Good day, Mr Graham Bright! It is such an honour to have this interview with you. In today's fast-paced business environment, what do successful leaders such as yourself have at the front of their minds each and every day?

What is important? For me, not profit or income, but having defined purpose and direction, trying new things, being adaptable and open to change, encouraging talent, and, importantly, appreciating the most precious commodity of all, namely time, and making the best use of it. Common traits of successful people include

reading and learning, appreciating and creating lasting trusted relationships, sharing experiences, doing things right and doing the right things, philosophies to which I fully subscribe in my role as a sitting UK magistrate, and in my private and work life.

Above all, one should be able to look back over a day and say, "I achieved something of note and made a difference.

Euro Exim Bank is the world leader in trade finance solutions for global corporates and trade companies. Can you tell us what sets you apart from other trade finance companies? Which sectors and industries will benefit most from your services?

We differentiate ourselves through a number of aspects, namely time, cost-effectiveness of our products, specialisation, locations and people.

Primarily, our aim is building long, lasting relationships with clients. Finding and keeping clients is key to cash flow and ongoing business supported by our advanced technology platform, accessibility and participation with payments technology leader, Ripple.

Coupled with our competitive rates and market focus across Asia and Africa, we, along with our agents and partners in strategic locations, serve corporate clients in connecting the players in the trade ecosystem both economically and efficiently.

Big data, distributed ledger technology and AI are on the rise in today's era across diverse industries. Can you tell us about their different roles and impacts on the trade finance industry?

Our understanding of big data is a massive volume of both structured and unstructured data that exceeds the processing capabilities of traditional database and software techniques.

In trade, with the complexity and scope of the ecosystem, it is easy to see how multiple parties, goods, services, buyers, sellers, freight specialists, insurers, inspectors, customs regulation and compliance across over 200 cultures and jurisdictions can create data on a massive scale. And volumes are growing year on year.

We have identified 12 distinct big data "Vs" common to our business, namely Volume, Variety, Veracity, Velocity, Viability, Value, Variability, Visualization, Validity, Venue, Vocabulary and Volatility.

Finding individual data elements and understanding the impact on operations and management is challenging, and we are fortunate in that today we deal with relatively small trading volumes, where identification, measurement and management are relatively simple.

For larger companies, having a meaningful high-level view, understanding all the elements and getting value from the data is a major challenge. The only way to ensure effective management is investment in and implementation of technologies where standardisation, data normalisation across platforms, rationalising of systems and reusability of information are commonplace.

The use case for distributed ledger technology in payments where structured data is standard is well proven, and we see that it may be successfully applied when assessing the issues and possible remedies in tackling fraud with KYC/AML and compliance.

DLT can also provide the technology to improve heavy, non-standard, data-bound processes. Addressing the fundamental issues of internal, intra- and interbank data sharing, DLT may assist submissions and oversight with regulators, and more rapidly identify activity in foreign accounts used for illegal and fraudulent drug- and terrorist-financing transactions.

For KYC, AML and due diligence across an enterprise, proliferation of paper, identification of false positives, multiple submissions of data, uncertainty in identity assurance and manual reconciliation times may be drastically reduced. Coupled with more efficient verification of KYC data, rapid, cost-effective client on boarding, faster loan servicing and efficiency in creation, communication and one-touch handling of trade documents will enable banks to offer long-lasting, cost-effective customer experience.

Whilst banks should not underestimate the investment and commitment in terms of budget and resource to implement such DLT/ blockchain technologies, failure to plan, act and compete will have a serious impact on long-term institutional viability.

As part of our 'future-ready' system capabilities, our Simplex trade platform embeds DLT/blockchain technology, with payment APIs, more automated and integrated processes covering identity assurance, real-time company data access, PEP and sanction lists with the benefits of full compliance and due diligence.

Artificial intelligence is intelligence demonstrated by machines, in contrast to the natural intelligence displayed by humans. At EEB, AI is used within applications to aid our staff in reviewing trade transactions faster, identifying exceptions and supporting complex risk-based decisions.

Unlike the programmed, automated trading systems prevalent in high-volume, real-time derivatives and equities markets employed to capitalise with competitive advantage, our ultimate decision process remains in experienced human hands.

AI has helped to streamline time-consuming, highly manual processes associated with reviewing growing volumes of global trade transactions. Its implementation and continual refinement ensures a better operating experience internally, expanding the use of digitisation and advanced analytics.

Euro Exim Bank offers friction-free and instant trade solutions through its partnership with Ripple. Can you tell us how blockchain technology enhances the transaction speed, while ensuring security and safety? Can you tell us more about your partnership with Ripple and the development it has brought to Euro Exim Bank?

Ripple is not just about cryptocurrency. It is an innovative technology company with a financial network capability (RippleNet handling real-time, frictionless transmission of payments across a secure decentralised DLT infrastructure, covering both fiat and non-fiat currency).

We have implemented Ripple xCurrent, speeding up and, securing real-time payments, and On-Demand Liquidity, enabling immutable payouts in local currency without the need for exchange into dollars or for traditional correspondent banks, through use of the Ripple XRP digital asset, which is a game-changer in reducing capital liquidity requirements.

Whereas in the past, client access to funds and foreign currency meant competition in world markets was impractically expensive and restrictive, through service delivery with other RippleNet participants, customers can achieve high-volume, frictionless, low-cost, secure, fast, guaranteed payments and instrument movement across the globe.

Euro Exim Bank has earned an excellent reputation for its comprehensive compliance policies. What are the unique features of Euro Exim Bank for anti-money laundering and fraud prevention?

AML and fraud prevention are just some of the challenges rising in importance to all financial institutions and combating these has grown into a lucrative industry with a level of seriousness that permeates throughout all commercial operations. Fraudsters and dedicated cyber attackers follow the money, and banks by their very nature are such a target that, even with extreme vigilance and significant investment across all parts of the organisation, it is no longer a question of "if" an organisation is compromised, but "when".

UK banks have not been immune to system attacks, with client data stolen and online account access denied. And we are seeing more sophisticated attacks from multiple parties, all with the purpose of maliciously controlling computing environments and, in some cases, complete infrastructures, or destroying the integrity of the data or stealing controlled information.

With a dedicated IT team, we continuously review and enhance our systems, preferring our own controlled, protected development environment. Accordingly, we have implemented security with a formal policy, countering IT, operational and communications risks through pervasive use of backups, firewalls, antivirus, limited-authority access, truly private intranet and password change frequency.

Vigilance is key, and is supported by an experienced board-level team who understand the implications of threats and the ongoing need for investment to

ensure protection and the measures needed to safeguard people and process as effectively as possible.

What do you think are the unique challenges of compliance from a trade finance perspective?

Despite diverse geographies, regulation, sanctions and transport issues, underpinned by Incoterms guidelines first issued in 1936, compliance in trade, where millions of transactions take place daily between importers and exporters around the globe, has never been more challenging.

Trade finance is a safe form of finance but it is commonly perceived that the terms and conditions of the trade itself are subject to high risks. Moreover, whilst SMEs make up the majority of players, they are still more likely to have requests for finance rejected than any other category of firm. And in two-thirds of rejection cases, traders do not seek alternative financing, simply because it is not available.

In terms of unique challenges, primary checking and responsibility for due diligence does not stop with the buyer, as KY3P (know your third party and increasing FATCA (Foreign Account Tax Compliance Act requirements now demand more documents and proofs. Coupled with more intense accounting, tax and reporting obligations, the need for technology and education, and the overall lack of finance options, many companies are actively discouraged from starting their trade journey.

Recognised by the WTO and IFC, trade finance has been vulnerable to international banks reducing their exposure to, and relationship with, market participants, namely de-risking.

Since the global financial crisis, major institutions have steadily reduced and, in some cases, completely ceased their trade finance activities, especially in supporting emerging markets in developing countries.

Originally, de-risking was driven by the burden of regulatory compliance related to money laundering and terrorism financing. However, the significant costs of maintaining relationships is now a main driver, as banks rationalise the quantity and quality of active correspondent relationships and nostro accounts.

Ultimately, servicing global, regional and local businesses necessitates a strong active participation and view of the market, 'feet on the ground' to cope with different jurisdictions and understanding local culture, keeping up with regulations, focusing on specific markets and understanding the flows and infrastructures that support those markets.

Whilst the rewards in emerging markets and the new world of truly global trade may be lucrative, new participants should not underestimate the effort, resources, obligations and risks involved.

As an innovative financial institution that uses advanced technology, how does Euro Exim Bank assess the importance of balancing and incorporating the human element amidst the digitalisation?

Our key business asset is our people. We maintain close personal relationships with clients and know our people very well.

With the volume of documents and general data on the rise, whilst the vision of a paperless office in trade is some years away, integrated, information-rich systems are fundamental to servicing global clients.

Digitalisation will normalise and allow full integration of standard and non-standard data, resulting in golden records which can be analysed and reused, without the need to store multiple versions in many locations. However, institutions should not underestimate the time, effort and investment needed to achieve true digitalisation.

When implemented correctly, benefits include rapid movement, data authenticity, accessibility and more efficient storage of trade documents. In future, we would expect automated document handling, information gathering and the ability to interrogate and derive value from content to increase, whilst reducing physical handling times and aiding exception processing.

Until that time, as sectors of our industry create more standard documents, share data in common formats and agree more international standards, we will still see a blend of technology and physical handling of documents for some time yet.

Trust is a difficult attribute to measure and a delicate dynamic to maintain. How do you maintain this with your employees?

Our staff are professionals, and are treated as such, with a policy to match their experience and ability. And we are currently undertaking a major recruitment drive in India from the established finance industry, which will result in doubling the size of the company in a short time frame.

Their previous experience will allow fast onboarding and rapid training, ensuring that teams are as effective as possible in the shortest time.

We do not micro-manage, such that staff are empowered regarding sales, creating trade instruments and generally in their daily activities to complete tasks diligently.

We have developed training materials and a strict employee handbook, mandating adherence to policies, which provide professionalism and a consistent client-oriented approach with humility and trust, ensuring that reputation is maintained and that our business continues to grow dynamically in challenging times.

Amidst the uncertainties of Brexit and the trade war between China and the US, how do you see the dynamics of global trade changing?

Uncertainty cultivates opportunity. The volume and value of global trade is growing, with an increased awareness of new origins of goods, free trade agreements and growing trust and confidence in emerging markets.

Past restrictions to market entry included costly access to exchange-traded currencies, corruption and theft, low in-country liquidity and difficult-to-navigate transport links (with many landlocked countries restricted from port access).

The phenomenon of the rapid economic growth of East Africa, with access to much-needed metals and agricultural goods, cannot be ignored, nor can the ease of doing business in Singapore and Dubai, making them ideal areas for efficient trade.

Whilst trade wars and tariffs persist between the US and China, new trade agreements are being sought, with attention turning to new supply routes. And, as evidenced by the result of the recent UK elections, a new mood of optimism being touted in regard to significant UK/US trade deals.

What are the other challenges facing the trade finance industry? Where do you see opportunities for growth?

Tomorrow's winners will be those that read trends, adapt working practices, embrace the challenges of change, and look at new markets with greater margins which were once perceived difficult to work with, e.g. in Africa.

The opportunities in working with developing nations providing raw materials and technology are immense, driven by increased experience, acceptance and trust, a drive for higher financial inclusion, innovative free trade agreements, trusted low-cost applications delivered through smartphones supported by Ripple-enabled real-time payments in fiat and cryptocurrency transactions.

Financial inclusion remains a challenge, with ease of access and delivery of services to an estimated 3 billion adults currently unbanked. Rural economies deal mainly in cash, physical banks are remote and costs of maintaining low-value accounts are high. The impact of cost-effective, secure mobile technology, linked with innovative payment challengers, is changing the dynamics of trade across the financial landscape.

The winners, apart from the account holders, will be institutions able to scale up operations with low-value, high-volume transactions. The next key deliverable will be the 'value-add' of simpler transfers, cheaper savings and pensions products, not just for day-to-day transactions, but also safeguard and promote long-term financial welfare.

How do you keep up with the changing needs of your customers? What are your top priorities when it comes to customer relationships?

Our clients, the global buyers arranging imports of goods and services across multiple jurisdictions, require the keenest price, guarantee of document delivery, secure payments and unhindered receipt of goods.

From our perspective, gathering client requirements and listening to local, national and international trends is fundamental to our business. We are very active participants in industry events, international conferences and exhibitions, and contribute to the financial press as thought leaders and trade specialists, and closely liaise with our local teams as they meet their customers personally.

With the span of your successful professional career, can you share some tips or advice for those aspiring to enter and succeed in the financial industry?

I have been fortunate to work in various roles across the industry, and it is important to accept that where you start or where you think you wish to be is not where you may ultimately find your niche.

There is a huge variety of roles across the different parts of the financial ecosystem, from front-office activities, including sales personnel and corporate finance, middle-office roles managing risk and IT resources, and back-office functions providing administrative, support and payment services.

Each is a vital component to the efficient running of an organisation and suitably skilled people are required at each stage and level. Whilst trade finance may be perceived as a 'grey' industry, with most employees being 'more mature', the industry is dynamic and should appeal to a wider range of younger entrants.

As it spans gaining experience in legal, compliance, transport, insurance, quality inspection, sanctions, regulation and client-facing sales, it is an ideal industry sector in which to build and hone effective skills and a long-term, fulfilling career.

Experience is everything, from understanding the importance and availability of cash flow, implications of cleared funds, e.g. efficient nostro reconciliation processes, ultimately knowing what funds are available and where they are.

Also, in today's fast-moving financial environments, continuous learning is vital in the use of efficient payments channels, FX and funds settlement with same-day obligations, customer and deal onboarding, risk profiling and all-important due diligence, KYC, AML, PEP and sanctions processes.

Growing a business, keeping customers and protecting it are now key priorities, and that requires the right people and mindset.

Lastly, can you share any stories or examples of how Euro Exim Bank is making a difference to others, or how you're making an influence in your sector?

As an international bank with representation in St Lucia, India, the Far East, the Middle East and the UK, our management were keen to demonstrate our commitment to good causes and to making a difference for underprivileged, disabled and disadvantaged communities and the environment across the globe.

In addition to our stance on working with clients, dealing in goods of ethical origin and looking to reduce carbon emissions and footprint, we are ever mindful of the wants and needs of others.

Over the past three years, we have sponsored major fundraising events with themed concerts in London, resulting in donations of thousands of pounds to local and international charities. Some of the organisations which have already benefited include the Cerebral Palsy Association of St Lucia, Montgomery Heights Children's Foundation in Zimbabwe, UK Downs Syndrome charities and Great Ormond Street Hospital, and the Maa Kupa Foundation, who assist local charities for the poor and needy in the UK, India and Africa.

Regarding our influence in the trade finance sector, we have achieved recognition and industry awards (CFI – 2 years running, Mirror Review, International Finance).

We are featured in fintech finance online videos on industry challenges, open banking and the culture of innovation, and quoted on the GTR website regarding articles on African fintech during the Cape Town Conference, (see <https://www.gtreview.com/supplements/gtr-africa-2019/african-fintech-showcase/>), and other industry sites. We also provide YouTube updates on trade finance instruments.

EEB are contributors to a number of high-profile international magazines, including The World Financial Review, CEO Insight and European Business Magazine, and EEB Head of Compliance and Operations, Graham Bright is a regular keynote

About Euro Exim Bank



Euro Exim Bank Limited is an innovative global financial institution with head Office in St. Lucia and representative office in London. They hold a "Class A" international banking license from Financial Services Regulatory Authority (FSRA) of St. Lucia. This license provides authorisation to conduct business with third parties across industries and geographies worldwide, exercising strong due diligence, full compliance and operational excellence in our processes. Euro Exim Bank is an associate member of the Caribbean Association of Banks Inc (CAB). Being a member of CAB offers them opportunities and knowledge sharing with industry leaders that are applied to modernise their operations and customer service.

About the Interviewee



Graham Bright is the Head of Compliance and Operations at Euro Exim Bank. He has more than 35 years of experience in the finance industry in a number of roles, working collaboratively with industry utilities, regulators and central banks, and in consulting and partner/channels management. He holds a BA (Hons) degree in Business Studies, and is also a serving UK Justice of the Peace in the magistrates' court, having sat on criminal and proceeds of crime trials, and he also sits on Crown Court appeals. Graham is a regular contributor to trade journals (GTR, TFR), with published thought-leadership articles in the financial technology press, and a speaker at international trade industry conferences, such as SIBOS, GTR and Ripple Regional events.