



ISO20022

Trade Services Dashboard

Description of business processes

Trade Services – Description of Business Processes

Procurement: Sub-Functions	
Tendering	Process for buyer to contact potential suppliers and request for tender responses for the supply of specified product(s) and/or services. Catalogues can be used in the procurement process as a source of information to facilitate selection of potential product(s) and/or service(s).
Ordering	Process of requesting and confirming specified product(s) and/or service(s) in return for payment, including issuance, confirmation, amendment and cancellation.
Delivering	Process of transporting and informing relevant parties of the status of delivery in relation to the supply of specific product(s) and/or service(s).
Invoicing	Process of the seller requesting payment from the buyer for the delivery of specified product(s) and service(s).

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Trade Finance: Sub-Functions	
Cash-in-Advance	Process of payment where the full payment for product(s) and/or service(s) is due in advance of delivery.
Letters of Credit	A documentary credit represents a commitment of a bank to pay the seller of goods and/or services, a defined amount provided the seller presents stipulated documents evidencing the shipment of goods or the performance of services within a prescribed period of time. A process that may entail application, issuance, amendment, advising, negotiation, presentation and settlement.
Documentary Collections	A documentary collection can be defined as the collection of a sum of money due from a buyer by a bank against delivery of certain documents. A process that may entail request, presentation and settlement.
Demand Guarantees / Standby Letters of Credit	A demand guarantee / standby is issued by a bank on behalf of its customer (e.g. exporter), as financial assurance to another party (e.g. the importer), to be collected in the event that the customer defaults on certain specified contractual obligations. A process that may entail application, issuance, reduction, presentation, termination and demand settlement.
Bank Payment Obligation	A bank payment obligation is an irrevocable conditional obligation from one bank to pay another bank. A process that may be subject to the presentation and matching of compliant data derived from documents such as the purchase order, invoice, and related transport, insurance and certification documents.

Trade Services – Description of Business Processes

Trade Finance: Sub-Functions continued	
Open Account	Process of payment in which the buyer pays upon the receipt of goods, or on a deferred payment basis.
Pre-shipment Financing	Process that supports the short term funding for inventory and production costs associated with manufacturing goods being exported, in advance of goods shipment.
Post-shipment Financing	Process that supports the short term funding to meet working capital requirements after the actual shipment of goods. It bridges the financial gap between the date of shipment and actual receipt of payment from overseas buyer.
Invoicing	Process of the seller requesting payment from the buyer for the delivery of specified product(s) and service(s). In addition may be input to Trade Finance processes that include Invoice Factoring, Electronic Bill Payment & Presentment (EBPP) and Supply Chain Financing.
Factoring	Process that supports the purchase and collection of an exporter's short term receivables (e.g. Invoices) at a discount price .
Forfaiting	Process that supports the purchase and collection of an exporter's medium to long term receivables (e.g. Bills of Exchange or Promissory Notes) at a discount price .

Trade Services – Description of Business Processes

Forecasting: Sub-Functions	
Inventory Management	Process to maintain the optimum number or amount of each inventory item by the supplier, including analysis of supply and demand buyer patterns in support of inventory replenishment.
Demand forecasting	Process for estimating the quantity of a product or service that buyer's will purchase. Covers the buyer informing the seller of future delivery needs.
Trade Support: Sub-Functions	
Reconciliation and matching	Process for reconciling and matching of data elements from commercial documents and advising discrepancies or match. May take place at different points of the overall workflow and with different data sets.
Accounting	Process for systematically recording, reporting and conducting of analysis of the financial transactions for legal, operational and audit purposes.
Reporting	Process for reporting activities related to trade services including reporting certain content of business transactions to regulatory authorities (e.g. tax reporting, central bank reporting).
Remittance Information	Process by which buyer informs the seller of a payment or other form of financial settlement, in relation to the provision of goods and/or services.