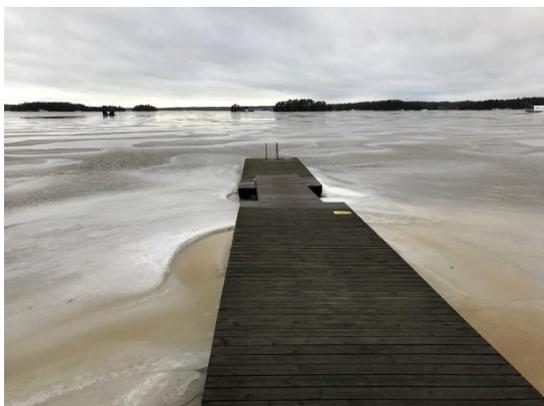**Standardised Trust continuation, Pikkala at Nokia Training Centre, 2018-01-25, 9:00 - 15:45 EET**

Notes by Krister Billing

Participants:
Harri Rantanen, SEB
Jari Hänninen, Nokia
Jarmo Saari; SEB
Krister Billing, SEB
Antti Niemelä, OP
Marika Toikka, Valmet
Heidi Vasala, Andritz
Minna Erkkilä, Nordea
Soila Koivisto, Nokia,
Hanna Poutanen, Nokia
Tiina Nissinen, Metsä
Kirsi Larkiala, Grannenfelt Finance
Jarmo Nurmi, Wärtsilä (afternoon by phone & webex)
Guest speakers:
David Nicol, R3
Antti Kettunen, Tieto

1. **Agenda and introductions**

Harri and Jari greeted all welcome along with a round of introductions.
Proposed agenda was approved. See material linked here.
Noted that discussions meant to be open (and to be shared) for the benefit of the
Standardised Trust (ST) community. Notes were informed to be shared on the group
LinkedIn page post meeting.

2. **Recap from last meeting last session on Oct 5, 2017 in Helsinki.**

Noted that also the Combiworks session on 2017-12-05 in Finland also addressed ST
issues outlining new demands for Trade Finance (for example Production as a Service
emerging)

3. **Status updates**

Revival of BPO has been discussed also in ICC work-streams run by Matti Malminen
(influence via ICC UK). Still doubts were raised about viability, given the bank driven
approach. Lack of comfort for manufacturers was also raised as an issue. It was
mentioned of a recent GTR conference that it might be useful in combination with
electronic Bill of Lading.

SWIFT Corporate Advisory Group: Next meeting planned in the spring (in Finland) and
will be hosted by Valmet. This grouping has so far been focused too much on CFO
level involvement rather than practitioner level.

Antti reported from the Finnish ICC discussions that they try to create a common
agenda for the Nordics. Meeting will be held in February, and work will start on
identifying common Nordic issues, and how to ensure corporate involvement. Idea
would be to create a corporate exporters´ working group with a joint agenda.
Re World Trade Board it was discussed whether participation would be relevant. It was
agreed that the value of this body would need further analysis before deciding
anything.

Jari H updated on RFM (Receivables Financial Management) initiative. Presentation
linked here:
- continues with GTC (http://www.globaltradecorp.com/com_gtc_profile.html)
- WS with Finnish exporters held in Nov 2017.
- Testing planned in spring 2018
- Trying to do this in standard way. Solution is cloud based yet still not clear how to
connect with banks – preferably via APIs.
Jari H updated on DTFWG (ICC Digitalisation work group):
-   Trying to raise attention by working via ICC UK.
-   Would be good if we could get a Nordic ICC collaboration in place
-   BPO sub-stream to revive BPO, chaired by Mike Quinn. Matti Malminen to be
    nominated by ICC Finland as Finnish Corporate rep.
We discussed ideas on topics to bring to the agenda. Reconciliation of bank
guarantees using Distributed Ledger Technologies (DLT/blockchain) could be one.

4. Decision on continuation of ST

Unanimous **_yes_**! – We want to and need to continue.

5. How to Continue?

Harri shared lessons learned from working the CGI-MP as a best practice example. After some discussion it was agreed that it looks like a very interesting model to apply and ideally we should try to use the established framework and include the TF issues to the agenda. It was seen as preferred to starting up a whole new structure/governance along the same lines.
Actions:
- Harri to follow-up and check CGI-MP interest/feasibility.
- Check with SWIFT (Huny Garg or equivalent) on interest to support (facilitating/hosting/funding)

Action should also be initiated to involve ICC more, starting on Nordic basis. In Finland there is already a good set-up in place including relevant stakeholders. Leverage contacts with ICC UK.

As a back-up (plan B) same model could be replicated, even though it would entail somewhat more effort and facilitation costs by some participant organisations.

Still issue remains that success will depend on willing volunteers to commit time and energy to drive this work forward. Possibly external sponsoring (funding for dedicated support) might be needed to explore to ensure progress can be made in reasonable time.

What are the concrete problems we want to start with? To be answered and structured within possible working groups as:

1. **E2E Business processes**
   a. **Define clear Vision and Mission statements**
2. **Standards**
   a. **Semantics and common speaking language for meeting both business and development needs**
3. **Technology**
   a. **Available and supporting technology becoming digital instead of only digitising**
4. **Lobbying**
   a. **Engagement with other existing TF improvement fora**
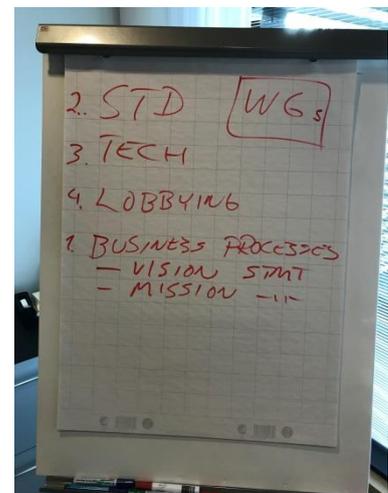
Most likely separate working groups need to be established to run these streams.

In relation to increased open banking collaboration it was suggested that we should try to encourage and enable Fintechs to join in this work as well.

Afternoon sessions:

We.trade presentation (Minna Erkkila, Nordea)

A marketing video at:
https://www.youtube.com/watch?v=TZtyBmYIWD8&feature=youtu.be

Questions:
Is there amount limitations? Unclear but should be possible (depends on credit limits etc.)
Is there geographic limitation? The solution should be scalable if expanded to other participants in future.
Compare BPO starting point was to start with purchase order matching.
How are KYC issues resolved? Trust other banks…? Need to be sorted.

Audience reflections:
- Well suitable for simple trades (few shipments, parties etc.)
- could be used as a way to establish standards
How to address the Nordic KYC challenges?

Sovrin presentation (Antti Kettunen, Tieto)

See material linked here**.**

DLT overview, different key models etc.
Issues with 4 corner models, need to integrate with many parties & difficult to scale.
Global identity network which solves the trust issues of the digital age.

Demo session
Sovrin does not store all personal information but instead provide verification of counterparties and availability to credentials.
Tieto partners with Evernym (creator of Sovrin) and the DLT technique is Hyperledger Indy by Sovrin Foundation.

Proof of Concepts (PoC) are in process for publication openly in May 2018.
Questions:
Are there electronic signatures available? Yes, included. Focus on process to ensure it is legally valid.
Commercial launch timing: Expected piloting 2018 and launching in 2019 onwards.
Nordea and OP are doing real estate PoC in parallel where this can be used.
Solution is starting up MyData European consortium to get agreement on standards.
Focused on private individuals but closely related to organizational identity needs.
Next: planning e-receipt PoCs

R3 presentation (David Nichol)

150 members (of which 88 banks)
Overview plus demo Marco Polo + Voltron

R3 Corda DLT presentation here:
R3 Voltron project (L/C) presentation here:
R3 Marco Polo (Open Account) presentation here:

How to involve corporate community?
Communication can be done via SWIFT or not. Probably easiest initially still use existing SWIFT rails in parallel since already integration in place with banks.
Who does authenticity checks and validation of counterparties (if not SWIFT)? This might be done by a Business Network Operator or a 3rd party provider service. This open question will be worked on after pilot.

Conclusion and next steps:
Share and validate discussions with the broader ST community.
Contact CGI-MG + SWIFT + ICC

Quotes of the day:
"Forecasting is difficult, especially if it is about the future"
"The future is not concerning if you are part of building it yourself."