

【NEWS RELEASE】

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Sumitomo Mitsui Banking Corporation

Commencement of Live Transactions on the Letter of Credit Digitization Platform Contour

TOKYO, December 17, 2021-- Sumitomo Mitsui Banking Corporation (“SMBC,” President and CEO : Makoto Takashima) is pleased to announce that it has become the first Japanese bank to have commenced live transactions on Contour, the Letter of Credit (LC) digitization platform developed by Contour Pte. Ltd. (CEO: Carl Wegner). The initial transaction took place between SMBC Singapore and Daicel (Asia) Pte. Ltd. (“Daicel Asia”), a subsidiary of the chemical manufacturer Daicel Corporation (President and CEO: Yoshimi Ogawa).

LC issuance and advising for a trade transaction between Daicel Asia and British American Tobacco Bangladesh Co. Ltd. were executed through Contour. The use of Contour allowed for the traditional paper-based process to be replaced by the real-time sharing of data between involved parties, shortened processing time for LC issuance, digitized document presentation, and enhanced information security through the use of blockchain technology.

With the globalization of customers’ businesses, trilateral trade transactions which involve the export of goods from a third country has become a common practice. This has resulted in more complex trade finance procedures, and the process is becoming even more time-consuming due to the COVID-19 pandemic. The adoption of Contour makes a substantial contribution to the streamlining of customers’ operational processes, with less than 24 hours required for the processing of an LC compared to the conventional seven to fourteen day period.

SMBC will leverage the experience it has gained in executing the live transaction on Contour to accelerate the digitization of trade transactions to further enhance the quality of its solutions as customers face a rapidly changing business environment. Such efforts include, but are not limited to, developing a framework that offers customers consistent access to efficient trade finance processes, coordinating with digital trade finance platforms that are spreading throughout the world, and supporting customers’ digital transformation.