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THE TRAILBLAZER

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GDPR

Facebook and Google were knocked with a combined \$8.8 billion lawsuit by Austrian privacy campaigner, Max Schrems, claiming breach of GDPR related to the opt-in/opt-out clauses.

Failing to adhere to the GDPR has steep penalties of up to €20 million, or 4% of global annual turnover, whichever is higher.

As per to a December 2016 PwC (PricewaterhouseCoopers) study, 68% of U.S. based corporations expect to have expended \$1-\$10 million to adhere with the GDPR requirements.

Source: Forbes/The Birth Of GDPR

Find out how to succeed in sales while complying with GDPR in page 04.



SMALL & MEDIUM ENTERPRISES + TRADE FINANCE

Large organisations make up the bulk of global trade, but the SME market is not to be ignored. There are between 365-445 million micro, small and medium enterprises (MSMEs) in emerging markets, and whilst many are only involved in the domestic trade, many require often specialist handling and assistance when it comes to international cross-border multi-currency transactions.

Problems often emerge with long complex trade cycles, high incidence of trade failures, the rise in fake/fraudulent documents and transactions, failure of buyers to settle or find spurious reasons to reject after extensive due diligence and checks, all meaning more caution and pre-investigation being done on all levels of trade.

And the knock-on effect is that stronger punitive guarantees are needed, requiring higher deposits trapping significant market liquidity, preventing efficient working capital management, all of which can stifle entrepreneurial flair and firm ability to take advantage in new global markets.

From proofing our counterpart and all trading companies to ascertaining the veracity of goods, shippers, containers etc, the need to operate an enhanced due diligence process has never been more necessary. We can no longer rely on the traditional post, paper and hearsay. Reputation alone is no longer a guarantee of proof of identity or sustained business.

Payment conditions are changing. In Europe, credit terms span 40-120 days. In Asian markets 90-120 days are normal. So, for a cash-strapped company, if you or your supplier increase the credit terms from 30 to 90 days you will triple the amount of liquidity trapped in outstanding payables.

Aside from locking funds, many SME's face other key issues, namely inexperience of exporting, small values and trade volumes, complex logistics of shipping a good or delivering a service cross-border services, tight Due Diligence, AML, KYC and sanctions checking, international regulation and compliance requirements, security, data protection, guarantee of payments, basic logistics and infrastructure costs and growing political risk uncertainty.

For small and large organisations alike, the burden of compliance and penalties for its misapplication has become all-consuming, with more staff required and an acute rise in bottom line unrecoverable staff and management costs. We need to know more in-depth analysis, faster, more complete proofs and audit checks, all of which incur a cost. Unfortunately, these costs need to be passed on to the SME's, again making smaller cost-conscious firms less likely to venture into international trade.

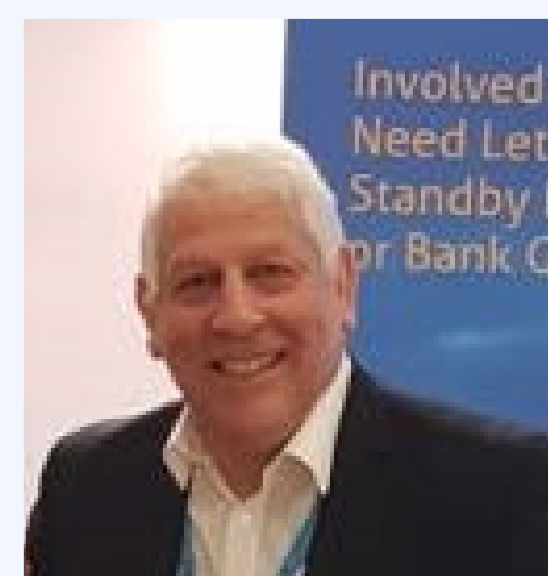
Additionally, with the new regulation, fines and legal redress, risk profiles and personal liability mean that it is no longer possible for compliance and bank officers to hide behind a corporate veil.

So, financial institutions are taking less risk and rejecting more applications for funding and complex trades.

Coming Up - How Euro Exim Bank facilitates SMEs

Article contribution
Graham Bright

Head - Compliance and Operations at Euro Exim Bank
graham.bright@euroeximbank.com



GTR - LONDON

On 7th June in London, the prestigious address of 155 Bishopsgate in the City of London provided the backdrop for the GTR UK Trade and Export Finance conference and exhibition.

With over 350 attendees and Euro Exim Bank being the main sponsor with an exhibition stand, the GTR Conference is one of the primary trade events in Europe, focusing on how to increase trade with the Gulf, the Commonwealth and India, and how new and constantly evolving challenging financial regulation and technology are shaping the future of this vibrant industry sector.

Also discussed were the re-emergence of countries once downgraded as viable, trusted trade partners.

There is a new focus on food and once non-commercialised resources bringing countries back into notice of international markets. With recognised opportunities from the fifty three country members of the Commonwealth, the countries span Africa, Asia, the Americas, Europe and the Pacific, with a market of 2.4 billion people, and are diverse – they are amongst the world's largest, smallest, richest and poorest countries.

The event is a key conference for building networks, relationships, business channels and future trading opportunities, with a global audience of Corporates seeking finance, trade instrument issuance, credit insurers, and compliance experts.

As a mark of our continued support for the GTR events, we will be exhibiting in Singapore on 4-5 September. Our internationally accredited speaker, Mr Graham Bright, Euro Exim Bank Head of Compliance and Operations, will be discussing the Regulatory Environment in terms of costs, resources, technology, Basel III and disintermediation, on a panel included Chairman from the EBA and Director from the Institute of International Finance.



TIPS TO BE COMPATIBLE WITH THE GDPR

By now we all have a clear understanding of what NOT to do under the GDPR. In this month's issue let us look at the many GDPR compliant techniques we can utilise to find potential customers:

1. Cold calling

The simplest thing to do is Call them. Cold calling doesn't come under the GDPR. You can also check with them over the phone if they would like to receive newsletters. And if the answer is yes you can send them an opt-in link for all your company updates. However, since calls are not documented make sure you follow-up with an email confirming details of their consent. But always make sure that if the client at some point states that they want their information removed from your database that you do so.

2. Social Selling

With the GDPR in place, social selling is fast gaining popularity among sales representatives. GDPR doesn't restrict organisations from discovering and connecting with potential customers through social media. You can use Social media to tap potential customers, ask for recommendations or share your experiences about your industry and services with them. Develop a standard template for your social networking and go ahead and use them. Be mindful of how you introduce your product.

3. Direct Mail :

We spend a lot of time and money to design printed flyers. This is the time to use them. Under GDPR, companies can still contact people via post, as long as they can claim a legitimate interest in doing so. For example, a customer may have bought something from you or expressed an interest in your services before. You can post a flyer for a new product to this client. "A Royal Mail study found that 92% of people read direct mail that is sent to their home and 20% share it with other members of the household".

4. Outreach Emails :

Connect with the client over the phone or through a meeting before sending an email. As you most probably know by now - Cold emails are definitely a NO-NO under the GDPR. However, you can send an email stating that you tried to contact them prior to emailing them.

In the next issue, we will discuss more tips and how we can use them to our benefit.



Article contribution
Usha Subramaniam
Marketing Executive at Euro Exim Bank
usha.s@euroeximbank.com

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