

# CIMB Singapore eyes US\$100m of trade financing via blockchain

**First structured trade financing transaction on platform run by Singapore-based iTrust was completed this month**

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## Singapore

CIMB Bank in Singapore plans to push up to US\$100 million in trade financing transactions over the next 12 months on a blockchain platform backed by a company run by GIC's former head of technology, and a Singapore security-tracking firm backed by Temasek's Heliconia Capital.

CIMB and iTrust said on Thursday that they successfully completed its first structured trade financing transaction on the platform run by Singapore-based iTrust this month. The transaction involves the financing of dairy products imported into China, though a spokesperson declined to name the company.

On average, the average trade size on the platform would be about US\$1 million, with each trade on the platform to be done by a single borrower.

iTrust provides secured real-time tracking of the cargo in transit and in the warehouse using blockchain-based technology. This means that all data and documents from the transaction are placed on a distributed

ledger. The aim of using blockchain technology to secure the documents and cargo is to reduce risks associated with commodity trade financing, CIMB said.

In a press statement, Mak Lye Mun, CEO of CIMB Bank, Singapore branch, said: "This blockchain trade financing with iTrust will present an opportunity for CIMB Singapore to support our customers more efficiently and cost-effectively. It mitigates fraud risk, and alerts us to any unauthorised movement of the financed cargo."

He added that the bank plans to work closely with iTrust for trade financing in other markets as well.

iTrust is backed by 1Citadel, which focuses on blockchain. 1Citadel was started by Ong Hian Leong, who ran the IT division at GIC from 2000 to 2017. iTrust is also backed by Ascent Solutions, whose corporate investors in turn include Heliconia Capital and UOB Ventures.

Lim Chee Kean, CEO and co-founder of iTrust, said: "We believe that the day will come whereby all lenders and borrowers would demand to have a secured real-time view of their cargo under financing on a secure and immutable blockchain platform like iTrust."

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