

FAST FOREX



In our globalised marketplace corporates are well versed in cross-border payments in foreign currency, but they still have room to improve the efficiency of multi-currency transactions. In challenging economic conditions CFOs are keen for banking partners to deliver efficient, error-free and information-rich payment options and, as **Rita Saverino** of FX4Cash explains to *FDE*, some banks have been listening.

Foreign exchange transactions are commonplace, especially as supply chains expand around the world and consumer markets become increasingly international. As such, they may not be an immediate priority in the search for efficiency gains, cost reduction or better risk management. But perhaps they should be.

Exceptions, errors and exchange rate volatility all pose problems for the finance team, and the onus has been on banks to provide a fast, efficiency platform for foreign exchange transactions. One bank has delivered just that.

‘Cross-border currency payments are nothing new, but while they happen already they may not be efficient. Corporates may be focused on simply getting payments through but, if they look closer they will have issues around STP, reconciliation of accounts and efficiency. Any company will benefit from lower error rates,’ says Rita Saverino, co-head of FX4Cash in the finance and foreign exchange division of Deutsche Bank.

FX4Cash addresses all of the concerns a finance director could have about multi-currency payments, building on the bank’s role as a leader in cash management and foreign exchange markets. The flexible and resilient platform supports a range of access channels, currencies and payment options.

The technology maximises straight through processing (STP), particularly for small, dynamic and repetitive payments, in part because it provides direct host-to-host connectivity with ERP systems. It also leverages the market-leading research of Deutsche Bank’s analysts to ensure that corporate

clients have the very latest exchange rates and forecasts.

‘Corporate clients now have access to many currencies, they can see and choose rates before a transaction, and reconciliation is greatly improved. From one account they can make payments in 125 currencies to over 160 countries. They do not need multi-currency accounts any longer,’ says Saverino.

Safety, synchronicity and service

With FX4Cash, corporates transact all payments from one base currency account, which is simpler to manage and improves STP. There is a similar process for receivables, whereby companies can specify the currency into which they would like foreign currency payments made and, therefore, still maintain a single account.

For finance directors, the removal of complexity from foreign currency transactions enables a more comprehensive approach to risk as well as lowering costs and improving cash management.

‘FX4Cash addresses operational risk by improving STP and foreign exchange risk by providing real-time rates. It also enables clients to improve their working capital by eliminating idle balances and exposure to currency devaluations,’ says Saverino.

The FX4Cash platform is easy to set up and can be accessed in many ways, be it through Deutsche Bank’s online banking platform, via direct file transfer to ERP systems or through SWIFT. It also features stringent access

controls, ensuring that only those with authorisation can initiate transactions.

Technologically, such a platform is not beyond the reach of any major bank, but what makes FX4Cash different is that its backer has a prominent position in the key banking markets that make the system work. Deutsche Bank is widely recognised as the leading player in the foreign

‘FX4Cash addresses operational risk by improving STP and foreign exchange risk by providing real-time rates.’

exchange market, of which it has a 21% share, and a 40% share of the electronic trading market. Add in its status as one of the world’s top clearers of euro and US dollar payments and it is clear that a big slice of the world’s foreign exchange business passes through its system.

Furthermore, the bank has a huge global cash management footprint, and its global transaction banking division works in tandem with its foreign exchange division. No wonder FX4Cash has been so well received and is attracting new business from corporate clients every day. **FDE**

FX market share rankings source: Euromoney FX Poll 2009.

Further information

Deutsche Bank
Website: www.db.com/fx4cash
Email: fx4cash.team@db.com