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Deutsche Bank



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FX4Cash Payments Platform Streamlines Cross-Border, Cross-Currency Transactions

The recent economic crisis has placed exceptional pressures on both corporations and financial institutions. The prominence of the treasurer has been raised in many corporations, while day-to-day liquidity management has ascended to the top of the corporate agenda. More than ever, corporations are seeking to focus on the strategic goals of centralizing, rationalizing and automating processes to create new efficiencies.

Obstacles to Cross-Currency Payments Execution

Effecting cross-currency payments can be challenging due to a range of complexities.

First, the cost of executing such transactions is often based on the number of interactions the executing body must make with the institution handling the payment — an area that can be masked in a lack of transparency. For example, the payment and foreign exchange conversion elements of the transaction may be handled separately. Corporations may also have to hold and fund numerous accounts in order to pay beneficiaries in different currencies — a process that can present a real obstacle to streamlining cash management arrangements.

Furthermore, the perceived lack of transparency surrounding transactions of this type can be exacerbated by common practices among providers that leave clients unsure as to whether they have achieved the best possible deal. For instance, with foreign exchange information not being provided upfront — but, instead, after the payment has been made — the applied rate may seem to be somewhat arbitrary, or taken from a notional fixing far from the current market levels.

Despite the issues surrounding cross-border payments, they continue to remain extremely prevalent, and volumes are set to rise steadily.

A Solution from Deutsche Bank

In response to the clear need for cross-border payments, and leveraging Deutsche Bank's number one market share in global foreign exchange as well as its leading ranking in cash management, the Bank offers a global cross-currency payments solution known as FX4Cash. This payments platform was developed through collaboration between Global Transaction Banking — responsible for payments — and Global Markets — responsible for foreign exchange.

Using FX4Cash, clients obtain seamless access via SWIFT, Internet and host-to-host for clients to make cross-currency payments from one of 20 funding currencies to over 120

local currencies — via wire, check and Automated Clearing House (ACH) — across more than 150 countries.

The FX4Cash platform has been designed to reduce costs and to deliver efficiency and transparency benefits to both corporates and financial institutions.

New Enhancements

While the FX4Cash platform was launched in 2008, Deutsche Bank has continued to make investments in the infrastructure in order to ensure that clients have the best tools at their disposal to negotiate recent turbulent market conditions and capitalize on economic recovery. For instance, FX4Cash was enhanced with the addition of 50 new currencies.

Even more recently, Deutsche Bank introduced FX4Cash Receivables to handle incoming foreign currency wires to corporates, financial institutions and non-bank financial institutions. In the base currency of their choice, Deutsche Bank is able to convert and remit funds to a client's designated account in up to 40 foreign currencies.

FX4Cash Receivables allows clients to streamline receivables processes, simplify settlement instructions communicated to remitters and consolidate the number of local in-country accounts maintained. Reporting is available with full details to help reconcile open accounts receivable items.

Sustained Investment

Deutsche Bank Global Transaction Banking continues to invest in platforms, systems and product innovation. Having successfully weathered the recent economic storm through continuing to innovate and invest in line with client expectations, Deutsche Bank will persist in introducing innovative products and solutions — such as FX4Cash — that convert and remit funds in numerous foreign currencies, allowing for centralization and greater visibility of cross-border, cross-currency payments effected by local and regional entities. Deutsche Bank will also continue to make the requisite investment to launch products that offer clients the necessary tools to tackle the changing economic landscape.