



Trade Finance
Facilitation Program (TFFP)



Inter-American Development Bank
Structured and Corporate Finance Department
Financial Markets Division



**Borrowing
Member Countries:**

Argentina
Bahamas
Barbados
Belize
Bolivia
Brazil
Chile
Colombia
Costa Rica
Dominican Republic
Ecuador
El Salvador
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru
Suriname
Trinidad and Tobago
Uruguay
Venezuela

**Non-borrowing
Member Countries:**

Austria
Belgium
Canada
Croatia
Denmark
Finland
France
Germany
Israel
Italy
Japan
Korea, Republic of
Netherlands
Norway
Portugal
Slovenia
Spain
Sweden
Switzerland
United Kingdom
United States



Background

IDB support for trade

As the main multilateral institution of the Latin American and Caribbean (LAC) region, the Inter-American Development Bank (IDB) is dedicated to foster and accelerate the region's economic and social development. The IDB considers trade activities to be crucial for the growth of local, national and regional economies in LAC countries. Complementing the IDB's broader strategy to support trade and the financial sectors on all levels, the Regional Trade Finance Facilitation Program (TFFP) has been supporting the LAC region's external sectors since 2005, by diversifying and stabilizing the supply of trade finance to the region's banks.

TFFP's value-added

PLAY A COUNTER-CYCLICAL ROLE:

1

During times of volatile capital flows, international banks are often required to:

- Increase confirmation fees or loan margins, and/or
- Reduce, freeze or cancel bank and/or country limits...
...which can
- Result in difficulties for local banks to provide trade financing to their clients.
- Hinder a country's prospects for economic recovery and growth.



By providing risk cover on trade finance transactions, TFFP guarantees help keep trade flows open and provide liquidity during times of economic difficulty.



ASSIST BANKS IN LATIN AMERICA AND THE CARIBBEAN (LAC):

2

- To broaden and diversify their international funding/financing sources base.
- To expand trade finance activities for the benefit of their exporting and importing clients.
- To establish relationships with new correspondent banks by giving them access to the TFFP network of Confirming Banks – especially valuable for smaller banks and banks in smaller countries.



The TFFP opens doors for LAC banks.



ASSIST INTERNATIONAL BANKS:

3

- The risk cover provided by TFFP guarantees helps quickly establish a relationship with TFFP Issuing Banks, with the possibility of gradually taking more direct risk as the business experience proves positive.
- TFFP guarantees allow the Confirming Banks to overcome country and/or individual bank risk exposure restrictions, which are also in many cases affected by changing Basel II rating and capital requirement considerations.



The TFFP helps Confirming Banks increase trade finance activities with the LAC region.



SUPPORT TRADE AND GLOBAL INTEGRATION:

4

Support trade:

- Between LAC and the rest of the world.
- Within the region itself, by encouraging LAC banks to join and act not only as Issuing, but also as Confirming Banks.


The TFFP's supply-side support to LAC banks increases, stabilizes and deepens the reach of trade finance in the LAC region, which:

- Helps LAC exporters better take advantage of the region's competitive advantages.
- Facilitates imports for supply of capital goods (fostering local production) and affordable consumer goods (welfare impact);
- Strengthens the LAC region's competitiveness.



The TFFP fosters LAC trade and helps level the playing field for international trade.





Program characteristics

Nature:

Under the TFFP, the IDB extends Credit Guarantees (“CGs”) in the form of Stand-by Letters of Credit (Stand-by L/Cs) in favor of Confirming Banks, to cover the risk they take on eligible trade financing instruments issued by LAC Issuing Banks.

Participants (see also “Who can join” section):

Issuing Banks: Private or state-owned banks incorporated in IDB Borrowing Member Countries.

Confirming Banks: Any international or regional bank compliant with IDB integrity standards, and with recognized track record in international trade financing.

Tenor (individual transactions):

Up to 3 years - depending on underlying transaction, country risk factors and Issuing Bank’s credit profile.

Coverage level:

Up to 100% per individual transaction.

Eligible transactions:

Trade finance instruments related to:

- Exports from IDB Borrowing Member Countries to any other country.
- Imports to IDB Borrowing Member Countries from any IDB (Borrowing or Non-Borrowing) Member Country.

Typical eligible instruments include:

- (i) Documentary Letters of Credit;
- (ii) Export and import financing funded by Confirming Banks;
- (iii) International Guarantees (Bid, Performance, Advance Payment Bonds) and Stand-by L/Cs.

Costs:

- No joining costs.
- TFFP Guarantee fees based on market pricing, derived from Confirming Bank’s transaction spread/fee.





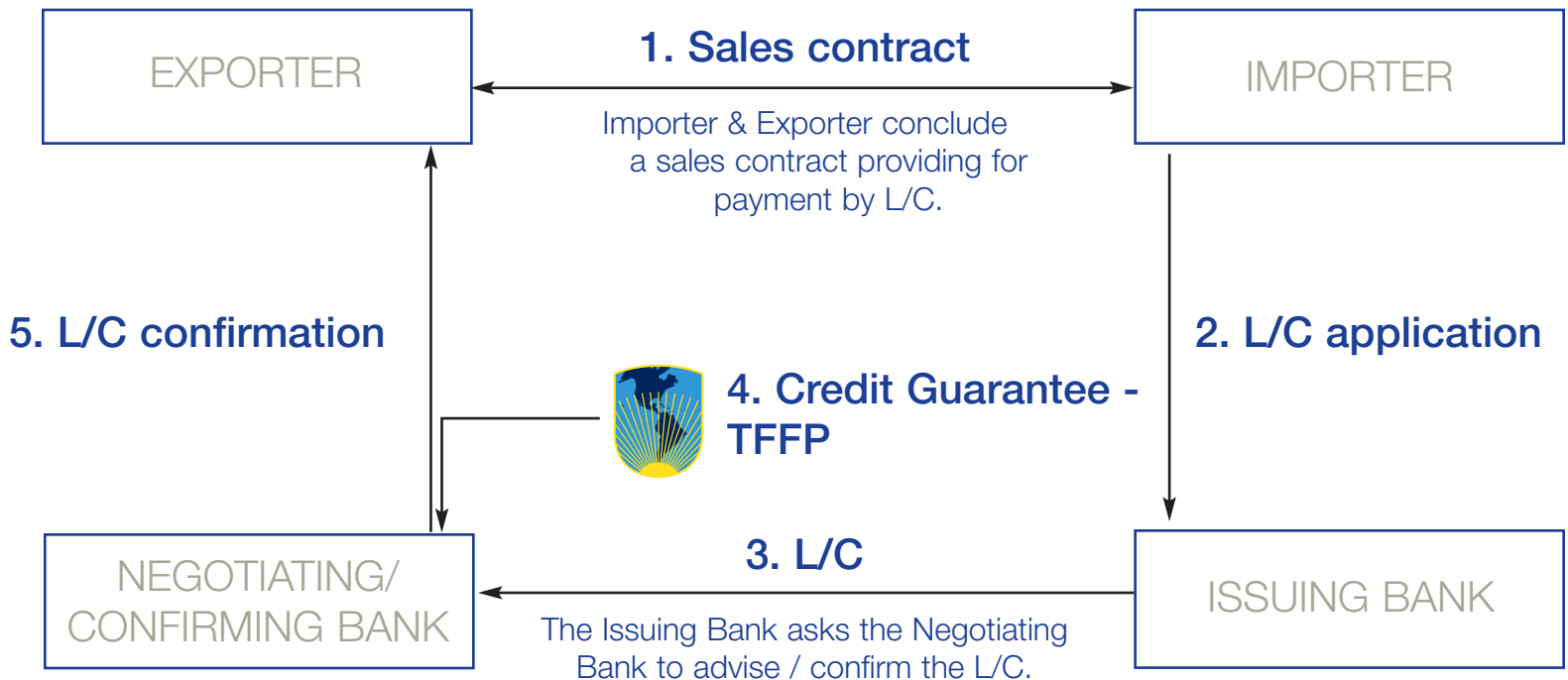
Typical transaction process

1. Confirming or Issuing Bank contacts IDB TFFP team.
2. Transaction, tenor & pricing agreed between all three parties; reference: prevailing market pricing.
3. SWIFT application sent to IDB.
4. Normally processed by IDB in 24 to 48 hours.
5. IDB sends SWIFT CG (on-demand guarantee) in the form of Stand-by L/C to Confirming Bank.

Transaction schemes

(example)

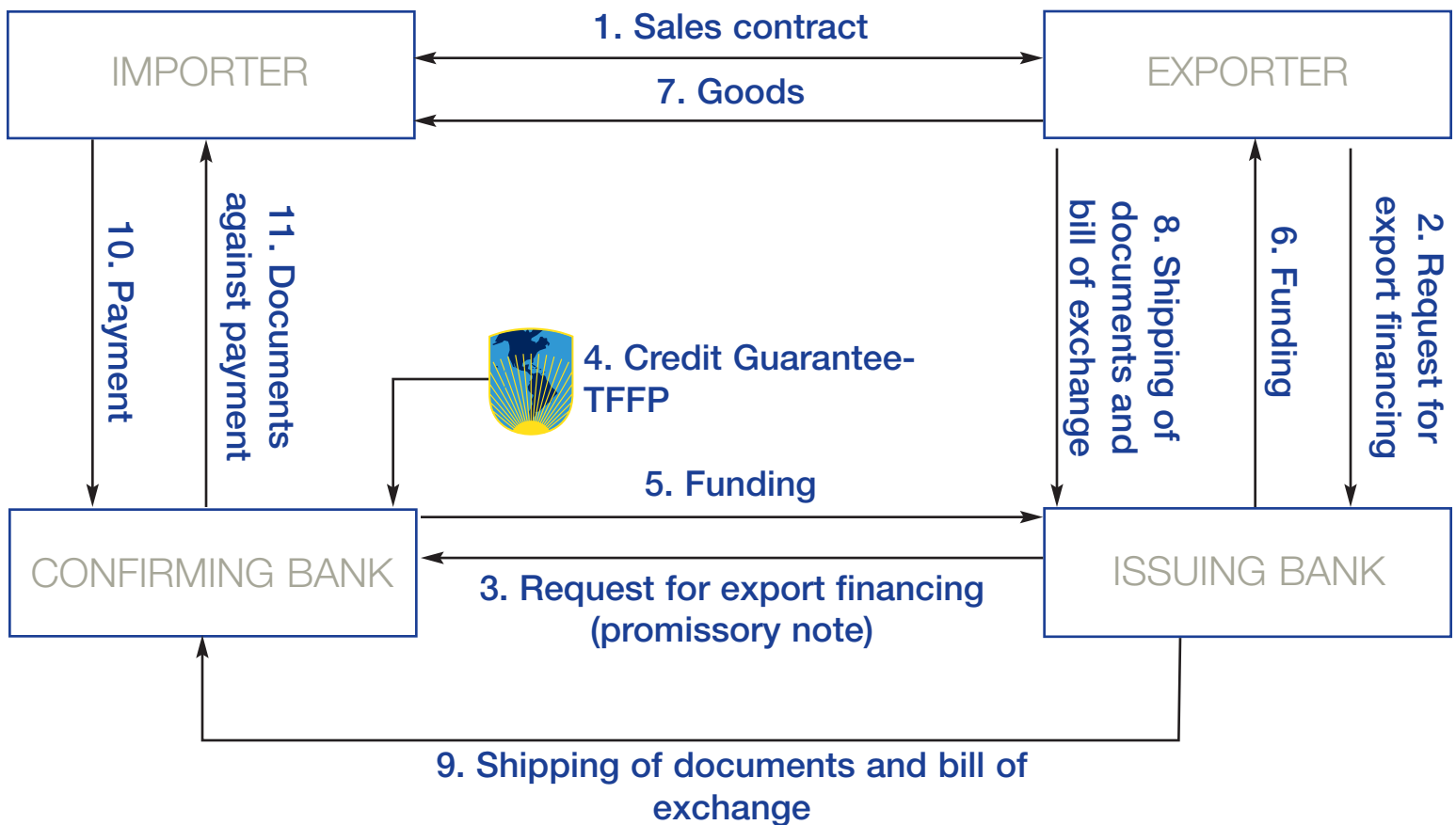
Documentary credits:
L/C Confirmation – Imports





Transaction schemes

(example)
Export financing:
Promissory notes





1) Who can join

Issuing Banks

- Private or state-owned banks incorporated in IDB's 26 Borrowing Member Countries.
- Demonstrated track record in trade financing activities.
- Established relationships with international correspondent banks.
- Satisfactory creditworthiness based on the application of a standardized risk assessment methodology.
- Compliance with customary environmental, social, labor and health & safety and IDB integrity requirements.

Confirming Banks

- Any international or regional bank compliant with IDB integrity standards, and with recognized track record in international trade financing.



2) How to join

Contact the TFFP Team:

Trade Finance Facilitation Program (TFFP)
Financial Markets Division
Structured and Corporate Finance Department
Inter-American Development Bank
Fax: +1 202 623 3319
E-mail: TFFP@iadb.org
www.iadb.org/scf

Joao Viane da Silva
+1 202 623 1352 – joaov@iadb.org

Ulrike Aulestia Vargas
+1 202 623 3298 – ulrikea@iadb.org

Daniel Fonseca
+1 202 623 3451 – danielfo@iadb.org



62 Issuing Banks located in 18 LAC countries with US\$ 1.01 billion of approved lines

Argentina

BBVA Banco Francés S.A.
Banco Santander Río S.A.
Banco Municipal de Rosario
Banco Supervielle S.A.
Banco Patagonia S.A.
Banco Finansur S.A.

Belize

Atlantic Bank Ltd.

Bolivia

Banco de Crédito de Bolivia
Banco Nacional de Bolivia S.A.
Banco Bisa S.A.

Brazil

Banco Industrial e Comercial S.A. - BicBanco
Banco Pine S.A.
Banco Industrial do Brasil S.A.
Banco Indusval S.A.

Colombia

BBVA Colombia S.A.
Banco de Bogotá
Banco Davivienda S.A.
Bancolombia S.A.

Costa Rica

Banco Nacional de Costa Rica
Banco de Costa Rica
Banco Improsa S.A.
Banco LAFISE S.A.
Banco Promérica de Costa Rica S.A.

Dominican Republic

Banco BHD S.A.
Banco Popular Dominicano C. por A.
Banco de Reservas - Banreservas

Ecuador

Banco Bolivariano C.A.
Banco Pichincha C.A.
Banco de la Producción S.A. - Produbanco
Banco de Guayaquil S.A.
Banco Internacional S.A.

El Salvador

Banco Agrícola S.A.
Banco HSBC Salvadoreño S.A.

Guatemala

Banco Agromercantil de Guatemala S.A.
Banco G&T Continental S.A.
Banco Industrial S.A.

Honduras

Banco Financiera Comercial Hondurena, S.A. (Ficohsa)
Banco LAFISE Honduras S.A.
Banco de los Trabajadores

Jamaica

First Global Bank Limited
First Caribbean International Bank (Jamaica) Limited

Mexico

BBVA Bancomer S.A.

Nicaragua

Banco de Crédito Centroamericano S.A. - Bancentro
Banco de la Producción S.A. - BanPro
Banco de Finanzas S.A.

Panama

Banco Aliado S.A.
Global Bank Corporation
Banco General S.A.
Multibank INC.
BBVA Panama S.A.
TowerBank

Paraguay

Interbanco S.A.
BBVA Paraguay S.A.
Banco Regional S.A.E.C.A.
Sudameris Bank S.A.E.C.A.
Visión Banco S.A.E.C.A.
Banco Amambay S.A.

Perú

Banco Internacional del Perú S.A.A. - Interbank
Banco Interamericano de Finanzas S.A. - BIF
BBVA Banco Continental S.A.

Uruguay

BBVA Uruguay S.A.
Nuevo Banco Comercial S.A.



227 Confirming Banks belonging to 87 International Banking Groups

Argentina

BBVA Banco Francés S.A.
Banco do Brasil S.A.
Banco Supervielle S.A.
Banco Patagonia S.A.

Australia

Bank of China Limited

Austria

Investkredit Bank AG
Raiffeisenlandesbank Oberoesterreich Aktiengesellschaft
Banco do Brasil S.A.
Fortis Bank S.A./N.V.

Bahamas

Banco Itau BBA S.A.

Belgium

BBVA S.A.
Fortis Bank S.A./N.V.
KBC Bank N.V.

Bolivia

Banco do Brasil S.A.
Banco de Crédito de Bolivia

Brazil

Banco do Brasil S.A.
Banco Industrial e Comercial S.A. - BicBanco
Banco Bradesco S.A.
Banco Indusval S.A.
Banco Pine S.A.
Banco Itau BBA S.A.

Canada

Bank of America N.A.
The Bank of Nova Scotia – Scotiabank
The Toronto-Dominion Bank

Cayman Island

Banco do Brasil S.A.
Bank of China Limited

Chile

Banco BICE
BancoEstado
BBVA Chile S.A.
CorpBanca
Scotiabank Sud Americano
Banco do Brasil S.A.

Luxembourg

Fortis Bank S.A./N.V.
Bank of China Limited

Mexico

Banco Nacional de Comercio Exterior S.N.C.
Bank of America N.A.
BBVA Bancomer S.A.
Grupo Financiero Scotiabank Inverlat

Nicaragua

Banco de Crédito Centroamericano S.A. - Bancentro
Banco de la Producción S.A. - BanPro
Banco de Finanzas S.A.

Norway

DnB NOR Bank ASA

Panamá

BBVA Panamá S.A.
Bladex
BNP Paribas S.A.
Multibank INC.
Bank of China Limited
Global Bank Corporation
Banco Aliado S.A.

Paraguay

BBVA Paraguay S.A.
Banco do Brasil S.A.
Sudameris S.A.E.C.A.

Perú

BBVA Banco Continental S.A.
Banco de Crédito del Perú
Banco Interamericano de Finanzas - BIF
Banco Internacional del Perú S.A.A. - Interbank
Scotiabank Perú S.A.A.

Philippines

Bank of China Limited

Poland

Fortis Bank S.A./N.V.
KBC Bank N.V.

Portugal

Caixa Geral de Depósitos
Caja Madrid Lisboa
Fortis Bank S.A./N.V.
Banco do Brasil S.A.



China

Bank of China Limited
Wachovia Bank N.A.
Fortis Bank S.A./N.V.
The Toronto-Dominion Bank
BBVA Hong Kong
KBC Bank N.V.

Colombia

Banco de Comercio Exterior de Colombia - Bancóldex
BBVA Colombia S.A.
Bancolombia

Costa Rica

Banco Nacional de Costa Rica
Banco Improsa S.A.
Banco de Costa Rica
Scotiabank de Costa Rica S.A.
Banco LAFISE S.A.

Czech Republic

Fortis Bank S.A./N.V.
KBC Bank N.V.

Denmark

Fortis Bank S.A./N.V.

Dominican Republic

Banco BHD S.A. - Banco Múltiple
BanReservas

Ecuador

Banco del Pacífico S.A.
Banco Pichincha C.A.
Banco Internacional S.A.

France

BNP Paribas S.A.
Banco do Brasil S.A.
Fortis Bank S.A./N.V.
BBVA Paris
Bank of China Limited
KBC Bank N.V.

Germany

Commerzbank AG
Landesbank Baden-Württemberg - LBBW
Banco do Brasil S.A.
Fortis Bank S.A./N.V.
Bank of China Limited
KBC Bank N.V.

Guatemala

Banco Agromercantil de Guatemala S.A.
Banco G&T Continental S.A.
Banco Industrial S.A.

Russia

KBC Bank N.V.

Singapore

BBVA S.A.
Fortis Bank S.A./N.V.
Bank of China Limited
KBC Bank N.V.

Slovak Republic

KBC Bank N.V.

South Africa

Bank of China Limited

Spain

Banesto
BBVA S.A.
Caja Madrid y Monte de Piedad
Banco Santander Central Hispano S.A.
Caja de Ahorros del Mediterráneo
Banco do Brasil S.A.
Fortis Bank S.A./N.V.
La Caixa
Caixa Galicia
Banco de Sabadell S.A.
KBC Bank N.V.

Sweden

Nordea Bank AB
Fortis Bank S.A./N.V.

Switzerland

BNP Paribas S.A.
Zürcher Kantonalbank
Fortis Bank S.A./N.V.

Taiwan

Wachovia Bank N.A.
Fortis Bank S.A./N.V.
KBC Bank N.V.

Thailand

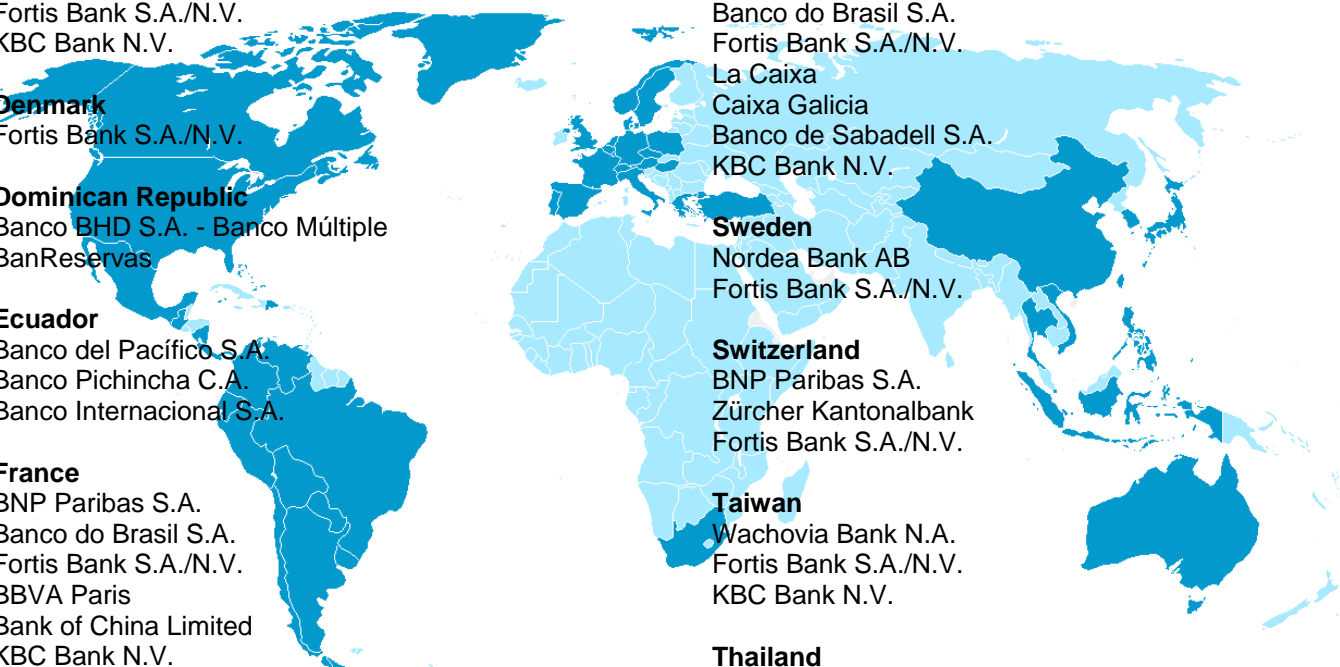
Bank of China Limited

Turkey

Fortis Bank S.A./N.V.

UK

BBVA S.A.
Wachovia Bank N.A.
Banco do Brasil S.A.
Fortis Bank S.A./N.V.
Bank of China Limited



Honduras

Banco LAFISE Honduras S.A.

Hungary

Fortis Bank S.A./N.V.
KBC Bank N.V.

Indonesia

Bank of China Limited

Italy

Banca Nazionale del Lavoro S.p.A.
BBVA Milan
INTESASANPAOLO
Casa di Risparmio di Padova e Rovigo SpA
Casa di Risparmio Venezia SpA
Casa di Risparmio di Del Friuli Venezia Giulia
Banco di Bologna SpA
Banco di Napoli SpA
Banca Popolare di Sondrio
Banca Popolare di Vicenza S.c.p.a.
Banco do Brasil S.A.
Bank of China Limited
Fortis Bank S.A./N.V.
KBC Bank N.V.

Japan

Bank of America N.A.
BBVA Tokyo
Mizuho Corporate Bank Ltd.
Sumitomo Mitsui Banking Corporation - SMBC
Wachovia Bank N.A.
Banco do Brasil S.A.
Bank of China Limited

Korea, Republic of

Bank of America N.A.
Wachovia Bank N.A.
ShinHan Bank
Bank of China Limited

USA

Bank of America N.A.
BBVA - NY Branch
BNP Paribas - NY Branch
Caixa Geral de Depósitos – NY Branch
Caja Madrid – Miami Branch
Citibank N.A.
CoBank ACB
Commerzbank AG – NY Branch
Bayerische Hypo- und Vereinsbank AG-NY Branch
The Toronto-Dominion Bank – Houston Branch
Mizuho Corporate Bank Ltd.
National City Bank
Norddeutsche Landesbank Girozentrale – NY Branch
INTESASANPAOLO – NY Branch
Sumitomo Mitsui Banking Corporation – NY Branch
Standard Chartered Bank
Bank of Tokyo Mitsubishi UFJ, Ltd. – NY Branch
Wachovia Bank N.A.
Société Générale - NY Branch
ShinHan Bank – NY Branch
Banco Santander Central Hispano S.A. – NY Branch
Banco del Estado de Chile - NY Branch
BAC Florida Bank
Banco do Brasil S.A.
Fifth Third Bank
Bank of China Limited
Mercantil Commercebank N.A.
US Century Bank
Caja de Ahorros del Mediterráneo – Miami Branch

Uruguay

BBVA Uruguay S.A.
Nuevo Banco Comercial S.A.

Venezuela

BBVA Banco Provincial S.A.
Banco Mercantil C.A. Banco Universal

Vietnam

Bank of China Limited





Inter-American Development Bank
Structured and Corporate Finance Department
1300 New York Ave., N.W
Washington, D.C. 20577
USA

scf@iadb.org
www.iadb.org/scf

Structured and Corporate Finance Department
Hans Schulz
Manager
Tel. +1 202 623 3702

Corporate Finance Division
Warren Weissman
Division Chief
Tel. +1 202 623 3784

Financial Markets Division
Daniela Carrera Marquis
Division Chief
Tel. +1 202 623 1088

Infrastructure Division
Jean-Marc Aboussouan
Division Chief
Tel. +1 202 623 3665

Syndications Unit
Jozef Henriquez
Unit Chief
Tel: +1 202 623 1424