

FX4Cash: A Global Cross-Currency Payment Innovation

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The recent economic crisis has placed exceptional pressures on 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 and financial institutions are seeking to focus on the strategic goals of centralizing, rationalizing and automating processes to create new efficiencies to effectively weather the crisis.

Leveraging Deutsche Bank's number one market share in global foreign exchange as well as its leading ranking in cash management, the bank introduced its global cross-currency payments solution known as FX4Cash. This payments platform was developed through across-business 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 up to 120 local currencies—via wire, check and ACH—across more than 160 countries. This innovative solution offers enormous potential for corporate and financial institution clients to streamline cross-border, cross-currency transactions.

Need for Transparency

Making large volumes of low-value cross-currency payments can be challenging to both corporates and financial institutions due to a range of difficulties. 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 and corporates 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 payments of this type, they are, of course, extremely prevalent, and volumes are set to rise steadily. Responding to this clear need, Deutsche Bank launched the FX4Cash initiative in order to address some of the issues surrounding cross-currency

payments. 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



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market conditions and capitalize on economic recovery. FX4Cash was recently enhanced with the addition of 50 new currencies, meaning that users can now make payments to over 160 different countries.

An additional enhancement has also made the platform available for converting incoming cross-currency payments. Clients are issued with a unique identifier which they distribute among potential remitters. Incoming funds can be converted as specified. In September 2009, Smart Convert was introduced to handle financial institution clients' cross-currency commercial MT103 payment transactions from US dollar, euro and other major currencies into the local currency of the beneficiary. With FX4Cash's Smart Convert, financial institutions can control the rates provided to the ultimate beneficiary, manage and direct how the service is rolled out and earn revenues from the spread of these FX conversions. This level of flexibility is one of the hallmarks of the FX4Cash platform, which can work together with a range of access channels including SWIFT, Eurogiro and Deutsche Bank's proprietary e-commerce platform db-direct internet.

Furthermore, Deutsche Bank more recently 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 account receivable items.

FX4Cash's flexibility means it has applications across a range of industry sectors and scenarios and, since its launch, over 500 clients from around the world have signed up to use the platform.

Sustained Investment

Deutsche Bank Global Transaction Banking continues to invest in platforms, systems and product innovation. Having successfully weathered the 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 continue to make the requisite investment to launch products that offer clients the necessary tools to tackle the changing economic landscape.

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FX4Cash™

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When it comes to choice and connectivity in cross-currency payments, one name stands out.

FX4Cash™ delivers the best of all worlds when it comes to managing cross-currency payments. An end-to-end STP solution that combines our leading global expertise in FX and Cash Management* to bring you all the strategic choice, transparency, efficiencies and opportunities you want.

In other words, everything you need from the established No.1 because we like to make life easy.

Passion to Perform

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