



Case Study

Maintaining an audit trail for each and every transaction

A VARA Perspective

Business Challenge

Corporates (importers) send payment instruction for cross border payments to Banks (importer's bank) based on documents like A1, A2, Advance, Letter of Credit etc. Currently, the documents are shared over email with banks and physical copies are submitted. In discussion with the business team we have identified the following pain points in the existing system:

- No mechanism to guarantee privacy and security of data in motion and data in rest .
- Documents are shared over emails, thus it is difficult to track and trace the documents over a period of time.
- Limited counterparty visibility
- No mechanism to capture the acknowledgment of the receipt of the documents

Our Approach

Based on the understanding of the business requirements we have built a Blockchain based platform that enables information symmetry, transparency, trust, security and immutability. A single version of truth is securely replicated across various stakeholders. Automation of the entire process eliminates manual intervention which in-turn reduce the lead time. Documents move faster and transactions gets settled in near real-time.

Solution

The solution is built on top of the Hyperledger Fabric Blockchain framework. The entire transaction process from Corporate to Bank and return response from Bank to Corporate is automated. The platform is also integrated with an active directory for user login.

The decentralised (tamper proof) shared data layer enables synchronisation in near real time (without delay) and each entity is not required to depend on a central authority (for finality).

LCs and remittances are document intensive and thus inherently involves delay. Our platform enables a secure, accurate and collaborative data layer. This removes exchanging physical documents and expedites value transfer.

Moreover, each and every transaction would have an audit trail which is often a regulatory requirement in financial domains.

The primary goal is to create a universal platform for all the banks instead of creating individual/disjointed interfaces for each one of them.

Benefits of Blockchain

- 1 Approval levels and counterparty visibility
- 2 Eliminates delay through automation
- 3 Prevent manual intervention to match transactions
- 4 Tamper proof and accurate data layer
- 5 Increased auditor confidence
- 6 Ease of availability
- 7 One-stop integration solution. Easily scalable.
- 8 Maintaining an audit trail for each and every transaction

