



Services



Ecosystem Convergence in Trade Finance: Building an Integrated Future for Global Corporates

Trade Tech Series

Ecosystem convergence has long been a buzzword in trade finance. For corporates, the idea of products, platforms, and processes operating within a unified, data-driven environment is attractive – but, given the industry’s track record, it is a vision that has been slow to materialize. Instead, corporates often grapple with fragmented platforms, paper-intensive workflows, and product silos that undermine end-to-end visibility.

“Given the industry’s slowness to address fundamental problems like ecosystem convergence, treasurers tend to focus on practical goals such as achieving a smoother, more connected working-capital experience,” says Deepankar Sangupta, Senior Partner and Regional Technology Consultant Leader at EY US. “But the point is that the failure of trade ecosystems to converge has real day-to-day consequences: it limits the availability of valuable insights and holds back automation.”

The implications are evident daily. Limited interoperability means early-warning indicators, regulatory updates, and benchmarking information are less effective than they should be. “Given the pace of change today, corporates want partners who help them anticipate challenges, with event-driven alerts, smart workflows, and data-powered decisioning. Most importantly, they want solutions that are designed to work across borders and across their partner banks.”

Banks are responding. Corporate expectations, new technologies, and regulatory momentum are pushing the industry toward ecosystem convergence. “We recognize that companies work with several banks – some with as many as 30 – so they need systems that are designed to work across all their partners. And they expect those systems to interact with one another rather than exist in isolation,” says John Selvin Raja John, Director, Trade Product Development and Management at Citi.

A single monolithic platform to manage trade is neither realistic nor useful. What will move the industry forward is interoperability: ensuring that the systems in use communicate in a consistent, secure way. “Convergence is about connecting the entire trade network – from importers and exporters to logistics providers and banks,” says John. “We need to work together to build a digital landscape where different systems, partners, and data models operate in sync, allowing data to move freely and securely.”

The Building Blocks of Convergence

What would a truly integrated trade ecosystem look like, and what would it take to get there? Enabled by multiple technologies working together, a future transaction might unfold like this:

- **Structured, Validated Data via APIs:** You start by sending structured, validated data directly from your internal systems, helping to ensure that every bank, logistics partner, and platform receives the same clean information at the same time. Application Programming Interfaces (APIs) make this possible. They are a foundational part of a modern trade process because they transmit unambiguous data that banks and partners can process without manual intervention. By enforcing mandatory fields and authenticating the sender through certificates, APIs reduce errors, accelerate turnaround times, and eliminate dependence on interim tools such as optical character recognition, which still requires manual review. Their value is expected to grow as standardized versions – championed by the International Chamber of Commerce, the Digital Container Shipping Association, and BIMCO – gain traction. Adoption of standardized APIs has been slow so far.
- **Trusted Digital Identity:** Your trusted digital identity would move with this data, allowing carriers, suppliers, and financial institutions to authenticate you instantly without the delays and uncertainty that accompany document-heavy processes. When you send data via API, validation is embedded in the connection. When your data travels through third-party platforms, digital identity credentials ensure that banks can still verify the original source. Encryption, secure API gateways, continuous monitoring, and strict access controls also help protect your information from end to end.
- **Smart Contracts:** Smart contracts could then use these verified data points to trigger automatic actions on your behalf, such as releasing collateral when goods reach a confirmed port or initiating payment once a shipment milestone is met. These self-executing agreements, running on distributed systems, can automate your time-consuming workflows. Combined with tokenized payments or digital settlement rails, they offer a path to faster execution and a more streamlined financing experience. Adoption is nascent, but smart contracts could play a significant role in ecosystem convergence.
- **Permissioned Data Lakes:** Permissioned data lakes would draw on real-time inputs from shipping companies, suppliers, and financial institutions, enabling banks to validate bills of lading, vessel positions, and container details automatically. Data is a key factor in making ecosystem convergence real. In a mature environment, shipping companies would relay information directly to all participants, allowing banks to verify documents instantly and eliminating external checks on vessel authenticity or container validity. Global banks operate across more than 80 jurisdictions, each with its own platforms and data standards. Within banks, data lakes help consolidate information across markets and legacy systems, with canonical data models making it usable for analytics, risk assessment, and automation.

In a fully interconnected ecosystem, the complexity increases. Permissions must be managed across suppliers, importers, logistics companies, and multiple financial institutions. A carrier might hold key data – such as vessel positions or container IDs – but suppliers must authorize its use before a bank can access it. Only a small portion of the required permissioning frameworks exist today.

Once these building blocks are in place, they can enable a seamless, end-to-end flow with fewer errors, faster financing decisions, and far greater transparency across every stage of your trade cycle.

Artificial Intelligence: Accelerating Automation, Compliance, and Risk Management

Once the foundational technologies above start falling into place – supported by standardized, clean, reliable data – artificial intelligence (AI) can operate more effectively. For you, this can result in more automation, better compliance, and intelligent risk control across your trade activities and throughout your supply chain.

You want your supply chain finance or supplier programs to deliver as much value as possible. But your suppliers often face slow, frustrating onboarding because many banks still run sanctions checks, negative-news searches, policy reviews, and identity verification manually.

AI can remove much of this friction by scanning supplier websites, reviewing public filings, summarizing policy documents, analyzing media coverage, and flagging risks more quickly than a human analyst.



Some banks already use automated tools to run daily sanctions screening on suppliers, and AI has the potential to strengthen these capabilities. By incorporating country-specific regulatory requirements directly into screening models, AI enables faster, more consistent, and more scalable onboarding. For you, this can lead to fewer bottlenecks, and less frustration for suppliers you rely on.

AI can also transform how financial institutions identify money-laundering and fraud risks in your trade flows. Today, banks spend significant time checking goods descriptions, validating pricing, comparing values, and verifying logistics movements through external data sources. These manual reviews are essential – but slow.

AI changes the equation. With the right data inputs, it can identify anomalies across massive datasets: unusual pricing patterns, mismatches between goods and trade routes, repeated activity through suspicious corridors, or subtle indicators of collusion. It can bring in external reference points – such as vessel movements or commodity prices – to strengthen red-flag models. The result is faster, more accurate detection, which can help protect your business from operational, financial, and reputational risks.

Regulatory changes – especially those involving sanctions or documentation standards – still require experts to interpret the rules. But technology is moving toward more user-friendly rule engines that allow compliance teams to update requirements directly, without waiting for system recoding. Over time, this can mean new rules are reflected more quickly in your processes, with fewer delays and inconsistencies.

Government and Regulatory Influence: Accelerating Digital Trade

Governments and regulators are becoming powerful catalysts for digital trade – and their actions increasingly shape the experience you will have as an importer, exporter, or global operator. Many export-driven economies – including Singapore, Hong Kong, and several African and Middle Eastern markets are investing heavily in digital public infrastructure that will ultimately make your cross-border activities faster, more secure, and far less reliant on paper.

You already see this in electronic bill of lading pilots, national digital-trade programs, and cross-border initiatives backed by development banks. These efforts aim to create environments where your documents, data, and transactions move more easily between markets.



Some governments are going a step further by adopting the Model Law on Electronic Transferable Records, which creates the legal foundation for digital trade documents to be recognized in the same way as paper. That opens the door to faster document flows, fewer courier delays, and clearer legal recourse. Regional digital-trade initiatives in Africa, Central Asia, and parts of Asia-Pacific reflect a growing recognition that trade finance gaps cannot be solved within national borders – and that your operations need more consistent rules across markets.

Geopolitical developments have pushed this shift even faster. Post-Brexit customs requirements forced large-scale digital upgrades for UK-EU trade, while tariff changes in the U.S. have spurred initiatives to digitize guarantees and customs processes. These efforts do not always align standards perfectly, but they do accelerate the momentum toward paperless trade – which can help simplify your workflow.

Toward a More Resilient, Transparent Trade Ecosystem

Ecosystem convergence is not a single project or platform. It is a long-term shift toward a world where your products, platforms, and data flows work together – instead of operating in separate silos that you have to manually reconcile.

“The journey is complex,” says John. “Industry adoption of standards is uneven, data permissioning across logistics networks remains immature, and regulatory frameworks continue to evolve. The trajectory is clear. APIs are standardizing and structuring information. Data lakes are enabling global visibility. AI is accelerating onboarding, improving compliance, and transforming risk detection. Governments are building digital trade infrastructure. And corporates are increasingly vocal about the need for interoperability and automation.”

The long-term benefits go well beyond speed or efficiency. A converged ecosystem offers a more transparent, resilient, and intelligent foundation for global commerce where trusted data replaces paper, analytics replace manual review, and collaboration replaces fragmentation. This can mean fewer blind spots, fewer bottlenecks, and a clearer, more connected view of your entire trade operation.

Ultimately, the future of trade finance may not be shaped by any single platform or institution. It will likely be defined by how well the industry aligns around shared data, connected systems, and common goals. Convergence is the path to that future – and the collaboration emerging today is already laying the groundwork for an integrated global trade environment that is designed to work better for you and your partners.

Learn more about this in this new article co-authored by Citi’s experts and EY US’s research analysts.



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26-48E8D3A6 04/26