

MUFG and NTT DATA lay foundation for digital trade between Singapore and Japan using blockchain

Both companies are collaborating on the digitalisation of cross-border trade finance and data exchange for enhanced connectivity between the two countries

Singapore, 5 December 2017 – Mitsubishi UFJ Financial Group, Inc.'s (MUFG) banking entity, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and NTT DATA Corporation (NTT DATA) jointly announced the commencement of a Proof-of-Concept (PoC) prototype leveraging blockchain technology that would strengthen trade ties between Singapore and Japan. This initiative, in collaboration with Singapore's National Trade Platform (NTP) (*1), aims to make cross-border flows more secure, efficient and transparent, with the long-term goal of fostering greater trade and supply chain integration across the region.

In this PoC, MUFG and NTT DATA will utilise an application programming interface (API) (*2) to connect a prototype trade system (*3) currently developed by NTT DATA with Singapore's NTP. Not only does this PoC mark the first attempt to integrate digital platforms between the two trading nations, it will see MUFG and NTT DATA collaborating to address and provide digital solutions to technical challenges prevalent in international trade, where differing trade regulations and documentation standards predominate. The initiative will also help lay the foundation for a regional digitalised trade and supply chain platform in Asia.

MUFG, an active member of the NTP working group in Singapore, has found in NTT DATA a like-minded partner that understands the importance of harnessing technology to move trade finance away from its manually-intensive, inefficient and inconsistent practices as well as facilitate greater connectivity across global and regional trade corridors.

The initiative also complements Singapore's SMART Nation objectives and efforts at developing a regional digital economy. MUFG is a partner of initiatives spearheaded by the Monetary Authority of Singapore (MAS), including the linkage of NTP to trade platforms in other countries such as Hong Kong's, and the MAS-led consortium focused on developing blockchain-based inter-bank payment solutions.

Over the past 40 years, NTT DATA has supported the development of the trade sector in Japan through technological innovation. It is at the forefront of the country's efforts to utilise blockchain technology to transform trade practices and launched a consortium this year comprising 13 major companies from sectors such as banking, insurance, integrated logistics and import and export to collaborate in this area. MUFG is one of the companies in this consortium.

Through this PoC collaboration with MUFG, NTT DATA seeks to further contribute to the establishment of more efficient trade procedures and practices by leveraging the collective insights, experiences and capabilities of both companies.

Mr Motoi Mitsuishi, MUFG's Group Head for Transaction Banking

"This initiative is significant to MUFG on many levels. Not only is it an extension of our strategic objective of investing in digital innovation in support of our corporate clients and facilitating their cross border trade flows in this region, this PoC will go towards creating a global digital ecosystem for trade finance.

"We are very excited to partner NTT DATA on this project. With their collective experience and expertise, we are confident that we will be able to contribute meaningfully to the enhancement of regional and global trade."

Mr Toshi Fujiwara, NTT DATA's Director and Executive Vice President

"We greatly appreciate the opportunity to conduct this PoC to connect Singapore's NTP, introduced by MUFG who is a member of working groups of trade platforms in both countries. It is significantly valuable not only for NTT DATA but also trade-related industries in Japan, to verify technical issues, find their solutions and apply standardisation. Through this PoC, we look forward to contributing to trade facilitation within the ASEAN region and all over the world."

Mr Ho Chee Pong, Director-General, Singapore Customs

"The NTP is an open platform and this PoC with NTT Data is an important building block of our overall strategy to enable the flow of digital trade data with our trade partners globally."

Ms Jacqueline Loh, Deputy Managing Director, Monetary Authority of Singapore

“MAS welcomes the collaboration between NTT Data and the NTP as another encouraging step towards digitalising trade and building connectivity in the region. This PoC, together with the GTCN project, demonstrates the growing momentum to digitalise cross-border trade flows and highlights Singapore’s key role as a global hub transforming trade and trade finance.”

(*1) The NTP is a one-stop trade information ecosystem which enables the sharing and re-use of digital data on all trade-related transactions between businesses and the Singapore Government. By digitising documents and the exchange of trade and supply chain data, the NTP is also improving productivity and minimising the risks of fraud inherent in the existing paper-based system in trade finance.

(*2) API(Application Programming Interface) specifies the rules and interface specifications for how software components should interact. By utilising the API technology, it is expected to improve the accessibility of services.

(*3) 15 August 2017 News Release, Launch of a consortium comprised with 13 companies to develop blockchain-based trading platform which will increase efficiency in trade procedures
<http://www.nttdata.com/global/en/news-center/others/2017/081500.html>

About Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world’s leading financial groups, with total assets of approximately US\$2.7 trillion as of 30 September 2017.

Headquartered in Tokyo and with approximately 350 years of history, MUFG is a global network with over 2,300 offices across more than 50 countries. The Group has about 150,000 employees and close to 300 entities, offering services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group’s operating companies include Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation (Japan’s leading trust bank), and Mitsubishi UFJ Securities Holdings Co., Ltd., one of Japan’s largest securities firms.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. is Japan’s premier bank, with a global network spanning around 50 countries. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

Through close partnerships among our operating companies, the Group aims to “be the world’s most trusted financial group”, flexibly responding to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG’s shares trade on the Tokyo, Nagoya, and New York (NYSE: MTU) stock exchanges.

For more information, visit www.mufg.jp/english.

About NTT DATA

NTT DATA (TOKYO: 9613) is a leading IT services provider and global innovation partner headquartered in Tokyo, with business operations in over 50 countries. Its emphasis is on long-term commitments, combining global reach with local intimacy to provide premier professional services varying from consulting and systems development to outsourcing. For more information, visit www.nttdata.com.