

## Lloyds and Mercore complete landmark digital transactions in secondary market

- **Innovative process significantly cuts secondary purchase completion times, unlocking greater liquidity**
- **Using digital negotiable instruments in the secondary market could make global trade more efficient**

Lloyds and Mercore have completed a series of landmark digital transactions that have featured the secondary participation in an accepted digital bill of exchange (DBE). The innovative process enables businesses who are not utilising electronic trade documents to enter into secondary participations.

The transactions, believed to be the first of their kind, represent a milestone in trade distribution and demonstrate enhanced support for clients' working capital management by significantly reducing deal completion times, therefore unlocking greater liquidity.

The trades involved shipments of sugar by Mercore's client from Central America to a longstanding client of Lloyds in the UK. These were underpinned by a DBE which was drawn by the exporter and accepted by the importer. On confirmation of acceptance by Lloyds, Mercore funded the transaction against the DBE, with Lloyds participating in the transaction from Mercore under a Master Participation Agreement, allowing increased liquidity for the transaction flow.

These landmark transactions show the feasibility, and benefits, of using digital negotiable instruments (DNIs) openly in the secondary market.

### Speeding up cross-border trade

Traditionally, secondary purchases of bills of exchange in trade finance have relied on physical paper instruments. Using digital trade documentation significantly speeds up the completion of secondary transactions, reducing transaction times from days to – in some cases – a matter of hours.

**Surath Sengupta, Head of Trade and Working Capital for Lloyds, commented:** "Our investment in trade innovation is continually unlocking new and impactful solutions to support our clients' trading ambitions. We have previously showcased digital flows for primary transactions, and this latest trade is a great example of our technological solutions in action in the secondary market space.

"Combined with continued uptick in the use of digital negotiable instruments to deliver trade financing, a vibrant digital secondary market could help extend the funding of cross-border trade, helping more businesses around the world trade more efficiently."

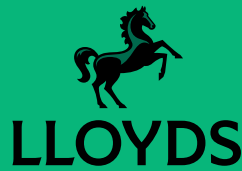
**Anthony Wadsworth-Hill, Co-founder & Deputy CEO at Mercore, commented:** "This type of secondary market collaboration between Mercore, as a non-bank lender, and a relationship bank, like Lloyds, is key to driving improved financial inclusion for aspiring businesses.

"By combining Mercore's and Lloyds' respective areas of client coverage, while leveraging the benefits of digital innovation, we are able to improve the amount of financing available, and the speed of funding for both new and existing commercial trade flows. We are delighted to work with trusted parties such as Lloyds and Enigio to deliver this offering."

**Alex Waites, Executive Director at Enigio, commented:** "Congratulations to Lloyds and Mercore on this fantastic milestone. As the technology provider, Enigio is proud to support such innovative work. This is a true testament to Lloyds' and Mercore's commitment to advancing digital trade not in theory but through live, impactful transactions. The successful use of digital negotiable instruments in the secondary market is particularly exciting, as it highlights the growing maturity of digital trade finance and the tangible benefits of faster, more secure processes that unlock greater liquidity."

### World-first transactions

## Contact



This development follows a series of other world-first transactions completed by Lloyds and Mercore in October 2024 – the first transactions under the ITFA’s Digital Negotiable Instrument (DNI) initiative to feature a node-to-node transfer of a digital trade document between two financial institutions, and the first to involve the handling of a DNI between two financial institutions each facing off to an importer or exporter, known as “Four-Corner” transactions.

All transactions, including these latest secondary deals, were completed using Enigio’s trace:original solution, which removes the need to physically transfer paper negotiable instruments, enabling the creation of digital documents that can be ‘possessed’ by an individual, transferred between parties and distinguished from copies, just like paper-based counterparts.

Unlike other systems, only the party creating the document needs to be an Enigio user, enabling broader market participation. Secondary purchasers can take possession of digital bills of exchange without signing commercial terms with Enigio, utilising their public notary solution available on the platform’s website. Alternatively, if they do not wish to hold the assets themselves, these can be held by the executing party on their behalf.

**ENDS**

#### **Notes to editors**

##### **Lloyds’ support for businesses**

- Lloyds supports more than one million UK businesses with leading digital and relationship banking services, as they start up, grow, thrive and trade internationally.
- Through a network of relationship teams based across the UK, as well as internationally, it delivers a mix of local understanding and global expertise necessary to provide long-term support to its clients to help businesses fulfil their growth aspirations.
- It offers a broad range of financing beyond term lending, which spans import and export trade finance, structured and asset finance, securitisation facilities and capital market funding.
- Its product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services.

##### **Mercore... Financing trade. Digitally**

- Mercore is committed to revolutionising global trade and supply chain finance by offering fast, cost-effective, resilient, and sustainable digital financing solutions for businesses of all sizes.
- By leveraging cutting-edge digital technologies, Mercore streamlines financing processes, ensuring robust compliance with anti-financial crime regulations and providing specialist expertise in managing complex AML/KYC risks.
- Mercore offers a range of digital financial products, including Digital Supply Chain Finance, Digital Receivables Finance, Digital Bill of Exchange, Digital Promissory Notes, and Digital Corporate Passport solutions.
- Through comprehensive due diligence services, Mercore ensures compliance and effective risk management, supporting clients from SMEs to large corporations on a global scale.

## **Contact**