

Trade Services and Finance

Enhanced Open Account Trade Process

In a trade transaction where a buyer may not be familiar with a seller, the buyer may use letters of credit to provide some certainty of shipment. However, if the seller trusts the buyer to perform, payment terms can be made on open account.

Buyers and sellers who regularly conduct business with each other can reduce the time and cost associated with letters of credit and documentary collections by taking advantage of Citi's efficient, electronic, "data-enriched" open account trade process.

Streamlined document reconciliation

With enhanced Open Account trade processing, Citi not only effects payment for your open account purchases, but also transforms and streamlines the entire reconciliation process. This is how it works:

- The buyer presents purchase order information to Citi and the seller by sending an electronic purchase order message.
- Citi populates a database with the purchase order information.
- The seller presents commercial documents (shipping and any required documents) that contain the information the buyer needs to ensure the transaction qualifies for payment.
- At the request of the customer, Citi could enrich the database with information from the commercial documents and perform a review of

documents against the buyer's pre-defined examination elements. For example, Citi flags late shipments, or a unit price difference, making it easier to identify and resolve issues quickly.

- Citi sends an electronic message containing details of presentation to the buyer.
- The buyer determines if/when payment is to be made and communicates the pay decision to Citi.
- Citi pays the seller.

Benefits to buyers

- Streamlines the trade process and makes better data available more quickly so open account trade transactions conclude faster.
- Provides an electronic record (from purchase order through shipment and payment) that can be uploaded into ERP systems, thereby eliminating the possibility of manual errors.
- Frees up trade-related credit facilities for other uses.
- Reduces reliance on letters of credit and import collections, which are more time-intensive processes.
- Lowers trade finance fees.

Benefits to sellers

- With enhanced transaction information available more quickly, buyers can make "pay" decisions faster, which means sellers get paid faster.
- Reduces reliance on letters of credit and import collections, which are more time-intensive processes.
- Lowers trade finance fees.

The Citi advantage

As the largest global financial institution in the world, and a local, embedded bank in both established and emerging markets, Citi can streamline and enhance open account trades between trading partners located virtually anywhere in the world.

With Citi's Enhanced Open Account Trade Processing, you benefit from our team's knowledge of local trade practices, regulations, market risks, and understanding of trade documents. Since we process a very high volume of trade transactions daily, we handle the straight-through processing of your trade transactions in a cost-effective way.



Citibank is a leading provider of trade finance programs. Our team of trade specialists will work with you to tailor an end-to-end trade finance and open account trade processing solution that meets your needs.

Visit us on the Web to find out more about how Citibank can help you meet your global trade needs:
www.transactionservices.citigroup.com

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