
TradeCard's Here

BY KEN COTTRILL

Payment channel offers buyers, sellers
secure electronic transaction platform

Another payments channel for on-line business-to-business transactions has become available with the worldwide launch of TradeCard. An alliance agreement with Thomas Cook Group Ltd. calls for the bank to provide secure global payment and foreign exchange functions to buyers and sellers who are members of the TradeCard network.

The launch took place in Hong Kong, where TradeCard announced a strategic partnership with Global Sources, a global network of websites that traders use to source products and suppliers. It also has partnered with Tradelink, a joint venture of the Hong Kong government and the private sector that promotes the use and development of electronic commerce in Hong Kong.

Joining TradeCard is like obtaining a credit card, said vice president, marketing, Michael Klausner. First companies are vetted, then they pay an annual fee of \$250 to be members. A flat fee of \$150 for each transaction between \$10,000 and \$100,000 is then charged.

TradeCard works like this. When a buyer and seller agree to transact, the buyer creates an electronic purchase order. This document specifies the contract terms and conditions, which the seller can approve or negotiate. Once the transaction is established in electronic form with both parties in agreement, the seller formally approves

the terms of the purchasing contract. The purchase order is stored electronically in TradeCard's secure and proprietary database, and the data from the purchase order is used to ensure that the information on all the transaction documents is valid and secure. The system automatically generates both an invoice and a packing list, which can be updated by the seller.

At this point, if the buyer is in good standing, an assurance of payment is attached to the invoice ensuring that the seller will be paid upon compliance. TradeCard then electronically obtains proof of delivery from a third-party logistics provider. Once there is compliance, TradeCard sends a message to Thomas Cook to electronically debit the buyer's account at its financial institution and electronically credit the seller's account.

TradeCard also is offering inspection services, cargo insurance and other value-added trade services.

Other banks were approached as prospective allies before TradeCard settled on Thomas Cook, noted Klausner. "But they weren't sure what we are and whether we were in competition with them," he said. He sees his service as an alternative to traditional banking in that the banks generally offer open-account trading and not compliance services. "Our service is offering the facility of an open account but with the security of a letter of credit," he maintained. ●