

## DMCC TRADEFLOW HOSTS ITS FIRST INTERNATIONAL SOFT COMMODITY PLEDGE

**30 March 2014; Dubai, UAE:** DMCC Tradeflow, a DMCC platform which offers a central, online registry of ownership for commodities in the UAE, has completed its first international soft commodity pledge. A UAE-based agricultural trader has signed a US\$ 1.5 million trade financing agreement with EuroFin Asia Group Asia (Eurofin), an independent asset management company specialising in trade and commodity finance.

*“Attracting foreign investment is a strategic goal for us. We are pleased to see that our framework is enabling international players to partake in Dubai’s commodity trade by providing the required legal and technological infrastructure for cross-border trade finance,”* said Paul Boots, Director, DMCC Tradeflow.

As per the terms of the agreement, Eurofin will supply the agricultural trader with up to US\$1.5 million in financing secured through a pledge made on the DMCC Tradeflow platform using milk powder as collateral. The soft commodity is stored at a DMCC rated warehouse, Integrated National Logistics (INL), in Dubai.

*“Despite having no physical presence in the UAE, DMCC Tradeflow platform’s strong legal and technological framework and warehouse rating programme provides us with the required confidence to issue inventory financing to its members,”* said Francois Dotta, head of Merchant Finance at EuroFin Asia Group. *“The market outlook for this type of trade finance is positive and we look forward to signing similar agreements in the near term.”*

In 2012, DMCC Tradeflow launched as the online exchange for physical commodities in the UAE with the goal of stimulating liquidity in Dubai’s commodity trading marketplace. Since inception, the platform has booked more than 100 pledges in a variety of commodities for the UAE based banking community. The platform allows for electronic transfer of ownership through tradeable warrants, which are certificates of ownership issued by independent warehouses that guarantee the physical existence of commodities.

DMCC Tradeflow helps financial institutions manage and reduce risks by offering an enforceable way to register commodities as collateral to guarantee trade finance or working capital loans.