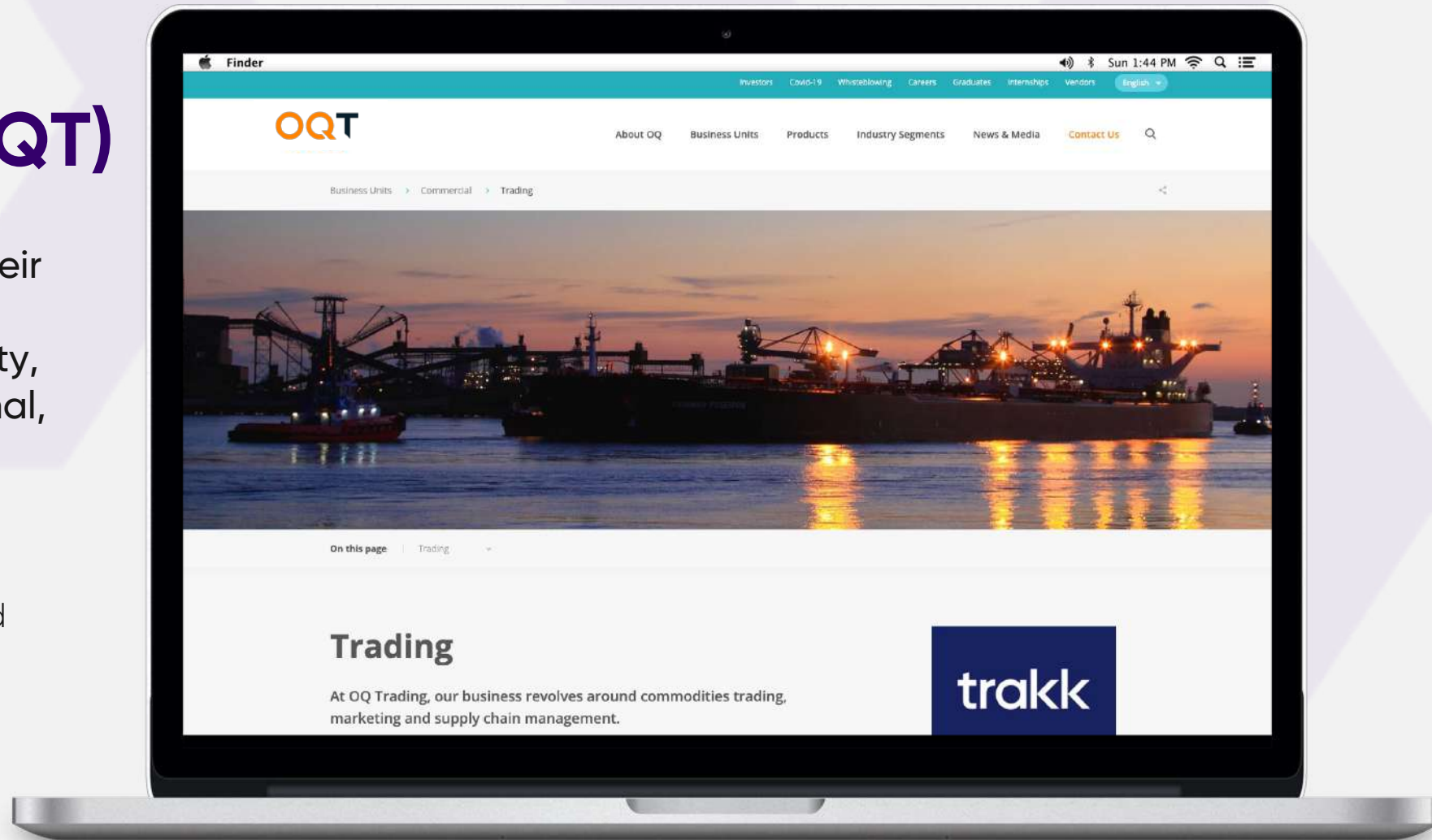


OQ Trading (OQT)

Deploying our solutions on their borrowing base facility to increase transactional security, without the need for additional, manual checks.

Senior Trade Finance Officer, Edwin Van Baaren, explains how it's saving time and adding value to the business.



About OQT

Wholly owned by the Government of Oman, OQT was incorporated in 2006 in Dubai, as a joint venture between Oman Oil Company and a leading international energy trader.

01/ Mandate

As the country's international commodities trading arm, OQT is the exclusive market-facing partner to OQ portfolio businesses, as well as a significant offtaker of Omani hydrocarbons from non-OQ owned assets.

03/ Products

Products include crude oil, refined products, petrochemicals, LNG, fertilisers and emissions.

02/ Operations

With a global network of offices in key hubs (Dubai, Houston, London, Muscat, Rotterdam, Shanghai, Singapore), the group trades approximately 35 million tonnes of energy products per year, including a significant portfolio of third-party volumes.

04/ Financing

A core part of OQT's activities are financed via a ~USD1.2bn syndicated borrowing base facility (BBF) managed by ING Bank as Security Agent.



Reduce Complexity

Under their BBF, OQT is required to produce Utilization Requests (URs) before drawing under the facility or opening an import LC; and to produce Notices of Assignment (NOAs) to ensure that proceeds from sales invoices raised are appropriately assigned to the Security Agent.

01/

URs and NOAs are routine documents which mostly follow a standard format, but need to be customized with some specific transaction details.

03/

Signature requirements and the large volume of data and documents led to an inefficient process involving multiple teams and avoidable, manual work. These process inefficiencies resulted in consumption of high value business resources that could be better utilised elsewhere.

02/

Data stored in OQT's internal systems needed to be copy-pasted manually into each document, and then sent via email to the bank (UR) or buyer (NOA).

Import

Utilization Request

1. Agree LC wording.
2. Print + sign draft LC wording.
3. Prepare UR, print, sign and stamp.
4. Scan both docs together, and send to the bank (email).
5. Bank receives and copy-pastes data into their system

Export

Notice Of Assignment

1. Deal agreed.
2. Prepare the invoice.
3. Prepare NOA.
4. Send to the offtaker.
5. Send copy to the bank with email evidencing assignment.

"There was a lot of manual work:

We had to print, sign and stamp the LC wording. Then we had to prepare, print, sign and stamp a UR with identical wording. We put both documents together and scanned it to the bank...

Then the bank had to check, and copy-paste it back into their systems."



Edwin Van Baaren, Senior Trade Finance Officer
OQT

Smart Documents

In early 2022, OQT started to digitalise their invoices using Komgo's Trakk solution. Trakk delivers protected, smart documents which can be sent via email and easily verified by recipients without needing to perform a call-back.

01/ Securing The Invoicing Process

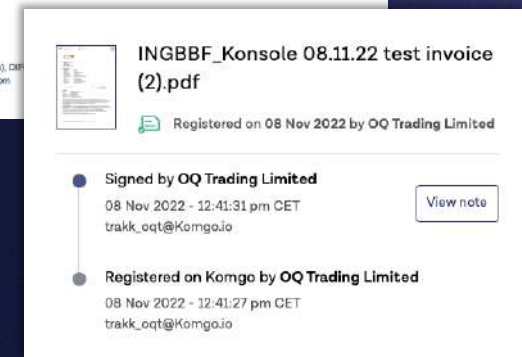
Trakk ensures that banking information and other details cannot be changed, and can be verified independently by recipients at any time.

03/ Powering Transparency

Trakk gives live visibility on the entire receivables book, avoiding the need for manual spot checks to confirm appropriate assignment.

02/ Automating Workflows

Trakk includes the ability to add electronic audit trails (digital signatures) and embedded metadata which can be extracted and read by other systems, allowing information from invoices or other documents to be extracted and used to populate specific templates.



Digital Borrowing Base

Komgo supports the role of the Agent Bank(s) by providing transparency in the facility and authenticating the security (collateral) pledged under the BBF, while reducing the burden of manual work placed on OQT by these increased reporting requirements.

NOA

1. OQT prepares their sales invoice and registers it on Trakk.
2. Komgo reads the invoice, extracts the relevant data, automatically generates an NOA, and sends it to the offtaker.
3. Komgo shares both the NOA and corresponding invoice with the Security Agent, who can see that the offtaker has been notified in the electronic audit trail.

UR (Trade Finance Use Case)

1. OQT agrees the LC wording via Komgo's Konsole, and pushes it to the bank in the form of a new LC Import opening request.
2. Komgo reads the key LC information (amount, quantity, counterparty etc.), automatically generates the corresponding UR and attaches it to the LCIM request as a digitally signed instruction to the bank.

UR (Treasury Use Case)

1. OQT receives invoices from their clients, for which they need to produce URs. They enter all the details of the invoices in their system, and export it in CSV format.
2. Komgo reads the CSV, extracts the relevant data and automatically generates the UR linked to a specific invoice.
3. The UR and accompanying invoices are registered on Trakk, and automatically shared with the bank.

Customer Success

The automated process is a lot faster for operators as several manual steps have been removed. The deployment is also bringing comfort to the banks by increasing transactional security without creating the need for additional, manual checks.

01/ No Copy-Pasting

Reduces errors and saves time needed to prepare the document. Banks receive information / data directly in their systems.

03/ Removes Duplication

No need to prepare the wording of the LC, and then a parallel UR document with identical information.

02/ Signatures & Assignment

No need to print, sign, stamp and send instructions to the bank, as this now happens automatically. No need for the bank to check signatures.

04/ Live Access To Documents

By registering their sales invoices on Trakk and digitally assigning them to the Security Agent, OQT is providing visibility over the entire receivables pool which is one of the main pillars of collateral for the banks.

“Komgo allowed us to automatically generate these documents based on the information we put in the system.

This helps to avoid manual errors, and we spend much less time preparing the document.

We also save time on signatures and assignment to the bank, which now happens automatically.”



Edwin Van Baaren,
Senior Trade Finance Officer
OQT

"Komgo is very straightforward and easy to use. All the useful features are there, and there isn't one unnecessary click. The system has everything we need, and it does things the right way."



Edwin Van Baaren, Senior Trade Finance Officer
OQT

"There is also a lot of benefit for the Security Agent, because they don't have to check our signatures and copy-paste the data back into their systems.

At any time the bank has access to all the documents. They see the invoice and know that the NOA is in place, which gives them more comfort."



Edwin Van Baaren, Senior Trade Finance Officer
OQT

100+

Documents Automated
Per Week

5

Man Hours Saved
Per Week

24h00

Faster
for the bank to issue an LC.

USD480k

Saved per year
on demurrage costs.

“We need to promote an industry that can attract new liquidity.

We need the help of technology to reinforce transactional security through greater transparency.”

Sam Naylor, CFO
OQT

[Watch The Masterclass](#)



Unlock The Power Of Your Data

Just Ask Your Digital Agent

www.komgo.io