



Case Study | Technology

PingPong

pingpong

Realizing a Vision for Global eCommerce

Founded in 2015, PingPong has already enabled more than 1 million online merchants in China¹ to realize their global ambitions. The company provides a suite of solutions to facilitate global eCommerce, including cross-border collections, VAT payments, supplier payments, foreign exchange, factoring and more. It has partnerships with a wide range of digital retail platforms globally, and has already processed more than USD90 billion in cross-border payments¹ - around USD150 million per day. In only three years, PingPong achieved unicorn status, with a valuation exceeding USD1 billion².



The Challenge

PingPong has ambitious global expansion plans. The company has rapidly expanded its footprint across over 100 countries, with operations in 21 markets in Asia, Europe and the Americas to enable merchants around the world to benefit from global eCommerce opportunities. Over the next five years, the company expects to expand its business ten-fold. This growth will come from increasing its existing client base in China, attracting merchants globally, and extending its value proposition to medium-to-large sized corporations seeking to leverage digital retail opportunities. PingPong is also focusing on the wider global supply chain by supporting business-to-business (B2B) flows that comprise the majority of global trade, which today is prone to inefficiency and delay.

¹ <https://usa.pingpongx.com/about>

² <https://www.pymnts.com/digital-first-banking/2020/fintech-pingpong-lands-emoney-license/>



The Solution

To achieve this growth, PingPong relies on its global banking relationships, notably with Citi, to provide the payment infrastructure, global reach, and depth of cash management and compliance solutions to meet its current needs and future aspirations.

Citi and PingPong have implemented innovative payments, cash management and FX solutions to deliver maintain PingPong's infrastructure at the highest level of digitization and automation.

These have delivered significant value as follows:

1. Automated collections via Citi Payer ID and APIs

- **Solution:** Each merchant is assigned with a unique Payer ID number which is used by marketplaces to make payments to the merchant. PingPong uses this to automate receivables reconciliation, leveraging Citi's APIs, and posting to merchant accounts on an intraday basis, based on camt.052 reports. On receipt into the PingPong bank account, cash is credited automatically to the merchant.
- **Result:** PingPong has achieved a 100% automatic reconciliation rate and posts to merchant accounts across 17 countries every 30 minutes, enabling PingPong to deliver a prompt service to merchants. Cross-border collections are supported with full transparency and rich information for both PingPong and its merchants. Crucially, the entire anti-money laundering and anti-fraud screening takes place before funds are received, ensuring both confidence and compliance.

2. Cross-border, cross-currency supplier payments on behalf of (POBO) PingPong's merchants

- **Solution:** PingPong has implemented H2H connectivity between Citi and its ERP across 17 countries in Europe, Asia and North America. The company can use this channel to make payments to suppliers on behalf of merchants, so merchants do not need to manage cross-border payments or foreign currency accounts. PingPong leverages Citi's CitiConnect® APIs for data analytics and SWIFT gpi to provide PingPong with full visibility over supplier payments, including payment status, fees and deductions.
- **Result:** This offers significant value to PingPong's merchants by removing the obstacles to selling their products globally, whilst streamlining global supply chains.

3. Instant payments via Citi's network and CIPS

Citi network instant payments

- **Solution:** By leveraging Citi's network, PingPong's cross-border payments and collections can be processed in real-time, 24x7.
- **Result:** For example, USD cross-border payments between United States and Hong Kong can be processed in seconds, 24x7, rather than two days without delays created by cut-off times or non-business days.

RMB Cross-Border Inter-Bank Payments System (CIPS) payments

- **Solution:** Citi has implemented a tailor-made solution for cross-border RMB payments between Hong Kong and mainland China, leveraging CIPS clearing with enhanced turnaround.
- **Result:** PingPong has reduced its RMB cross-border settlement time for payments between Hong Kong and mainland China from hours to 30 minutes, with full straight-through-processing times or non-business days.

4. Automating FX through CitiFX Gateway

- **Solution:** Citi and PingPong have implemented API connectivity to send FX requests automatically, which are executed in real-time based on a pre-agreed spread. Status reporting is then transmitted back to PingPong's core systems.
- **Result:** PingPong has automated FX management and eliminated FX exposures without the need for manual intervention across both G10 and emerging market currencies.

5. New merchant propositions via Citi Virtual Card Account (VCA)

- **Solution:** PingPong has become a major issuer of Citi's virtual cards. A virtual account number is generated and transmitted to merchants, including any custom data fields. Merchants can use the virtual card to settle marketplace fees such as Amazon, Facebook, Google Play and Apple Store etc. seamlessly.
- **Result:** Citi's virtual cards enable PingPong to provide an enhanced service offering to merchants by enabling them to make payments to marketplaces more easily, and at lower cost. At the same time, PingPong benefits from rebates and up to 50 days interest-free credit API connectivity delivers process efficiencies, security and control.



The Result

In only six years, PingPong has onboarded over one million merchants. These merchants can collect locally in over 20 countries, and pay in over 105 countries globally, supporting their global commerce ambitions and building efficient supply chains. PingPong manages peak processing of USD400 million per day, and has secured payment licenses in more than 15 countries.

These achievements have only been possible by leveraging Citi's payment 'rails', global reach and digital solutions to achieve 100% digitization and automation, and the bank's rigorous approach to compliance. The partnership is a flagship example of how innovative fintechs and banks can work together to deliver an entirely new service that would not be feasible for either party to deliver independently, but which achieves direct economic benefit and offers opportunity to businesses of all sizes and geographies.

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