TRADETRUST SPOTLIGHT

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WHY IS TRADE DIGITALISATION IMPORTANT TO YOU?

The vast majority of international trade remains resistant to going fully paperless. Much of this is due to a silo mentality across shipping, security, national revenue, and other related purviews that make interoperable systems difficult to achieve. But, the technology exists today, and businesses and consumers are moving far ahead in using digital platforms to transact. Digitalisation is the only way forward for international trade to continue to flourish as an expression of modernisation and mutual benefit.

HOW DOES THE HINRICH FOUNDATION SEE TRADETRUST ADVANCING SUSTAINABLE GLOBAL TRADE?

TradeTrust is very much in line with the mission of the Hinrich Foundation, which is to advance sustainable global trade and we particularly like the idea that trade underpins openness, mutual benefit, and trust among people, consumers, businesses, communities, and countries. TradeTrust helps by giving us an understanding of how much paper is still used in the vast bulk of cross-border trade and how much it is costing us. TradeTrust then provides the solution as a public good, in a way that helps to meet global challenges in trade, climate, and technology.

Launching the
TRADETRUST PODCAST –
GLOBAL TRADE DIGITALISATION

A podcast series launched featuring industry leaders' views and opinions on Trade Digitalisation. Tune in to their diverse perspectives as key concepts and discuss the significance of interoperability in driving the acceleration of trade digitalisation.
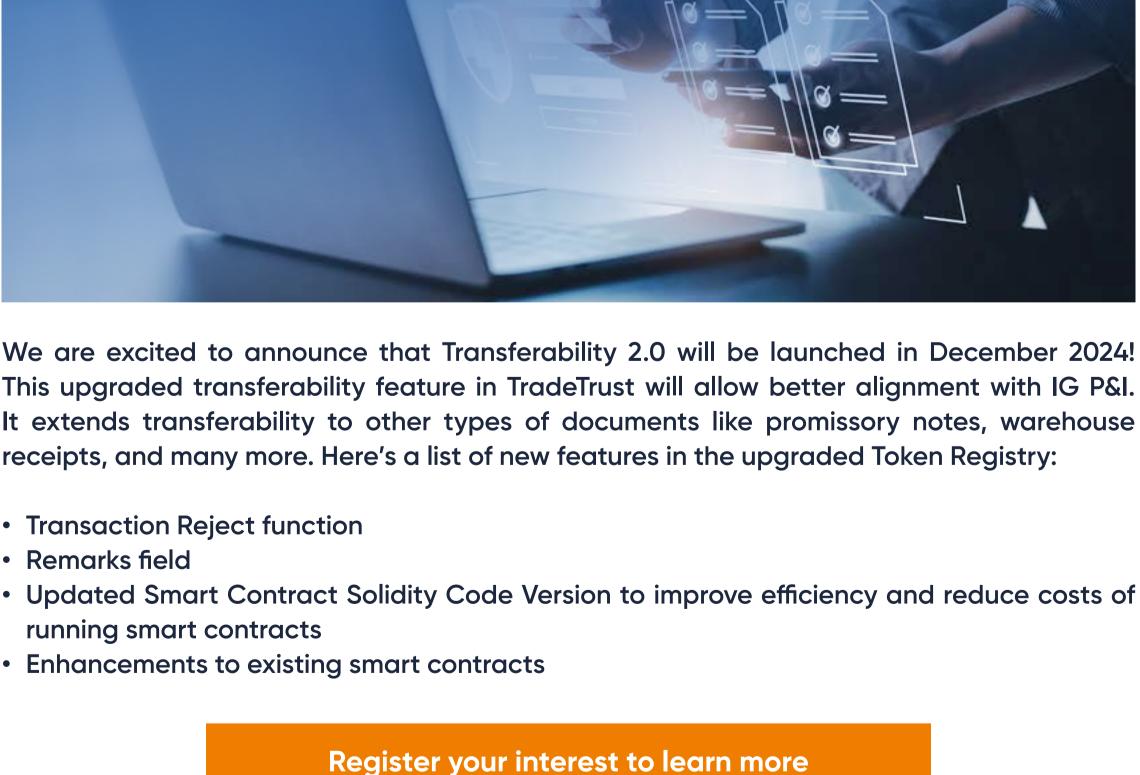
TRANSFERABILITY 2.0
IS COMING

We are excited to announce that Transferability 2.0 will be launched in December 2024! This upgraded transferability feature in TradeTrust will allow better alignment with IG P&I. It extends transferability to other types of documents like promissory notes, warehouse receipts, and many more. Here's a list of new features in the upgraded TokenRegistry!

- Transaction Reject function
- Remarks field
- Updated Smart Contract Solidity Code Version to improve efficiency and reduce costs of running smart contracts
- Enhancements to existing smart contracts

Register your interest to learn more about Transferability 2.0!

GUEST ARTICLE

PROMISSORY NOTE

Transforming How the World Trades: TradeTrust Ventures into Another Electronic Transferable Records (ETRs) Use Case with An Electronic Promissory Note (ePN) Transaction by BlockPeer, XDC Trade Network, YodaPlus and Noves

In a groundbreaking collaboration, BlockPeer, XDC Trade Network, YodaPlus, and Noves have successfully completed a financing transaction powered by the TradeTrust framework. The transaction showcases the potential of Web3 technology and the use of ETRs to transform trade finance.

This pioneering transaction highlights how businesses can access faster, more secure financing through tokenised trade documents. The ability to digitise and tokenise assets such as promissory notes provides businesses with a seamless way to access funding, avoiding the lengthy processes and high costs of traditional finance. For the parties involved, this transaction demonstrates how the TradeTrust Protocol for Electronic Transferable Records continues to propel trade finance into a more accessible, compliant, and transparent digital future.

Key Pilot Transaction Highlights:
- Noves created an ePN on the BlockPeer trade platform.
- Noves placed the ePN for financing on the XDC Trade Network, tokenising the asset.
- XDC Trade Network liquidity providers financed the tokenised ePN using USDC stablecoin.

Significance of ePN Transaction

This collaboration is a milestone in the field of Web3 financing as the first-transaction of its kind for a US-based company. More importantly, the transaction complies with Delaware's adoption of MLETR, aligning with global standards for electronic documents. MLETR compliance is a crucial aspect, as it ensures that the digital promissory note has the same legal standing as traditional paper documents, allowing cross-border recognition of the ePN.

The technology utilised in this transaction also sets new standards in transparency and security. By integrating Legal Entity Identifiers (LEIs) for clear identification of the parties involved, the transaction enhances transparency, making it easy to verify the authenticity of the ePN and its issuers. Additionally, the use of Decentralised Identity (DID) protocols through the DID method allows for decentralised, independent identity verification, bolstering trust within the ecosystem.

About ePN

An electronic promissory note, or ePN, serves as a digital equivalent of traditional promissory notes. These tokenised documents bind the borrower legally to repay a specified amount, providing an efficient, legally compliant means for businesses to access credit.

With the TradeTrust framework and MLETR, ePNs enable businesses to obtain financing by leveraging digital assets, offering businesses a faster, more secure way to access funding. ePNs also offer benefits of instant execution, real-time visibility, and secure cross-border transactions.

The Future of Trade Finance

This transaction between BlockPeer, XDC Trade Network, YodaPlus, and Noves exemplifies the promise of TradeTrust technology in building a new standard for trade finance. The ability to digitise and tokenise trade documents is an important advancement for businesses as businesses increasingly look for efficient, compliant, and secure financing options, tokenised solutions like ePNs may redefine what's possible in digital trade.

The success of the transaction paves the way for more enterprises to leverage ETRs for their financing needs, signalling the beginning of a new era in decentralised finance (DeFi) for global trade. By enabling the tokenisation of trade assets on a platform that aligns with international compliance standards, BlockPeer and its partners have proven that Web3 trade finance is a reality with transformative potential to reshape the future of global trade.

Event: A Glimpse into the future of international trade with electronic Bills of Lading

Together with the Hinrich Foundation, TradeTrust hosted a workshop called "From Paper to Digital: Transforming Trade With Electronic Bills of Lading" on 17 October 2024. The event gathered industry leaders, stakeholders, and partners to learn more about digitisation of trade documents and the opportunities it brings to businesses.

The event started with the Chief Executive Officer of the Hinrich Foundation, Kathryn Dioth's introduction about the importance of digitising trade documents and how it advances sustainable global trade. This was followed by a sharing from Programme Director, International Trade Research of the Hinrich Foundation, Chuin Wei Yap, on his thoughts about TradeTrust, noting it the "tipping point for global trade to go paperless and interoperable".

Senior Principal Consultant of TradeTrust, Lun Sin Yong, also presented a segment on the transferability of title documents, such as electronic Bills of Lading (eBL), using the TradeTrust framework. He explained that adopting laws such as the UNCITRAL Model Law on Electronic Transferable Records was vital in enabling the digitisation of trade documents. He also shared about the technology within TradeTrust that enables eBLs to be shared easily across different platforms, opening the potential for businesses to scale up without additional APIs.

The Head of International Expansion and Strategic Partnerships of SGTraDex, Denise Pereira, shared the company's experiences and insights on optimising documentation processes using the TradeTrust framework. She talked about how TradeTrust allowed SGTraDex's partners to experience the seamless transferability and verification process of eBLs through a video demonstration that showed different parties' perspectives in the process.

Finally, the CEO of XDC Trade Network, Sunil Senapati, addressed the gaps in trade finance by presenting short-term funding methods available to support sustainable trade growth. He shared that various scenarios and methods SMEs can use to access funding to mitigate trade risks and make the trade process more efficient and sustainable.

> "Today, with Web 3.0 and laws that (legally) recognise [digital documents, time is] opened up our ability to digitalise, the notoriously difficult to digitalise, trade documents. The TradeTrust framework has shown how an interoperable document can work in the [digital] ecosystem."
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> **LON SIN YONG**
> Senior Principal Consultant
> TradeTrust

> "Three years ago, only 1% of eBLs are digital. [Today], it's about 5%. There is an up-trend. So paper... has to change [in order to] value creation in secure, transparent, and digitalised documents and [global] trade."
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> **DENISE PEREIRA**
> Head of International Expansion and Strategic Partnerships
> SGTraDex

> "TradeTrust lets you create your [documents digitally]... we don't have to worry that they have to be [digital] and it's... you're going to send it. You don't have to sign off to a [third] party. You [are] an independent... document transfer to [somebody] else, and that's what... [TradeTrust enables]."
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> **SUNIL SENAPATI**
> CEO
> XDC Trade Network

GUEST ARTICLE

AEOTrade integrating the TradeTrust Framework for Seamless Digital Transaction

AEOTrade (Beijing) Technology Co., Ltd., established in 2015, is headquartered in the core area of Beijing CBD. It is an Internet technology company specialising in the operation of new cross-border digital infrastructure. The company works based on the EEC (Enterprise Business Capability) technology concept, integrating blockchain, intelligent exchange, process orchestration, RPA, AI, and other technologies to develop the 'AEOTradeOS' industry operating system, creating a new generation of digital international infrastructure. At the same time, the company also operates the China (Beijing) International Trade Single Window, the Beijing Cross-Border E-Commerce Comprehensive Pilot Zone platform, and the Beijing Airport Electronic Cargo platform, providing one-stop logistics and customs services for more than 60,000 import and export enterprises.

To keep pace with the times, AEOTrade initiated the "Trade Technology Alliance" with multiple authoritative institutions in 2021. The "Alliance" takes blockchain technology as its core, and is committed to the standard formulation, technical research, and industrial demonstration of the AEOTradeChain. The AEOTradeChain network technology is built on the heterogeneous composition of 'AEOTradeOS + AEOTradeChain + Service Matrix'. AEOTrade together with its ecological partners, provide comprehensive digital transformation services for enterprises, empowering their business operations to be digitised and intelligent, and continuously develop new scenarios, new models, and new forms of trade.

AEOTradeChain trusted trade collaboration network is an open and neutral distributed trade data exchange and sharing infrastructure. Trade enterprises, logistics companies, financial institutions, industry organisations, governments, and other institutions in the trade chain are connected to AEOTradeChain to achieve end-to-end data exchange and trustworthy transactions. This promotes the digitisation of the entire trade chain from trust matching, logistics and transportation, cross-border customs clearance, freight insurance, payment, and financial services. It forms a new trusted digital community that is open, shared, and inclusive.

Under the guidance of the governments of China and Singapore, the AEOTradeOS connects cross-border trade digital pilot orders have been completed through AEOTradeChain, including well-known enterprises such as Sinotrans, COFCO, Maersk, Pacific International Lines (PIL), YangMing, and Huajie Logistics. A number of supply chain trade digital processes have been achieved, including customs clearance, data exchange, trade digital orchestration and authentication, automated transactions, data evidence and rights and ownership, and settlement. Through the joint development of the TradeTrust framework, the joint development of international trade. All trading processes for the sellers and buyers in the pilot activity, including contract signing, business invoices, transfers of electronic Bill of Lading (eBL) title ownership and payments were fully paperless. Transacting parties were given end-to-end track and traceability of the shipment in real-time.

On 19 October 2023, under the guidance of the Beijing Municipal Commerce Bureau, Beijing Two-Zone Office and Singapore's Infocomm Media Development Authority (IMDA), and through the construction of the 'International Information Industry and Digital Trade Port,' AEOTrade successfully completed the first of the pilot project. AEOTrade's China-Singapore trade praises for this pilot, considering it to have created two "firsts" in the digitalisation of trade between China and Singapore: the first full paperless and digital trade business and a new transaction.

Following the success of this pilot, in December 2023, the Beijing Municipal Commerce Bureau and IMDA signed a Memorandum of Understanding on the cooperation for the 'International Information Industry and Digital Trade Port'. Chinese Vice Premier He Lifeng and Singapore Deputy Prime Minister Heng Swee Keat witnessed the signing during the 19th Joint Council for Bilateral Cooperation meeting held in Singapore.

This year, AEOTradeChain has further integrated the TradeTrust framework to create the 'AEOTradeChain Trade Document' system, realising the digital issuance, verification, transfer, and verification of electronic documents in the cross-border trade chain. Throughout the entire document circulation process in the pilot conducted in May, the world's second-largest shipowner, Maersk, completed the issuance of the eBL through its system. The entire process of eBL circulation was completed within 2 days, and the actual smart operation time was only 10 minutes. Throughout the pilot project, TradeTrust clearly identified that the success of this pilot marks the expansion of the full-process interoperable trade digital network using the TradeTrust framework. TradeTrust framework, laying a solid foundation for international trade digital operations.

Currently, AEOTrade has actively cooperated with international organisations such as the International Chamber of Commerce, the International Group of P&I Clubs, and the Chinese Business Association. It has done so through working through a shared technical foundation to promote and drive mutual recognition of the global trade documents between the dual platform standard between China and Singapore. The parties are working together through a shared technical foundation to promote and drive cross-border trade documents, continuously cultivating an open, neutral, interconnected, and full-process distributed trade digital infrastructure that serves global trade.

About TradeTrust

TradeTrust: Connecting governments and businesses to a digitally-enabled future of trade.

World's first live Electronic Transferable Records (ETR) cross-border trade through TradeTrust.

Discover how TradeTrust lets you create, exchange, verify, and transfer electronic documents securely.

Hear from ExxonMobil and their partners about their experiences and benefits of going digital through TradeTrust.