SATP Use-Case:
Supply Chain Logistics & Trade Finance

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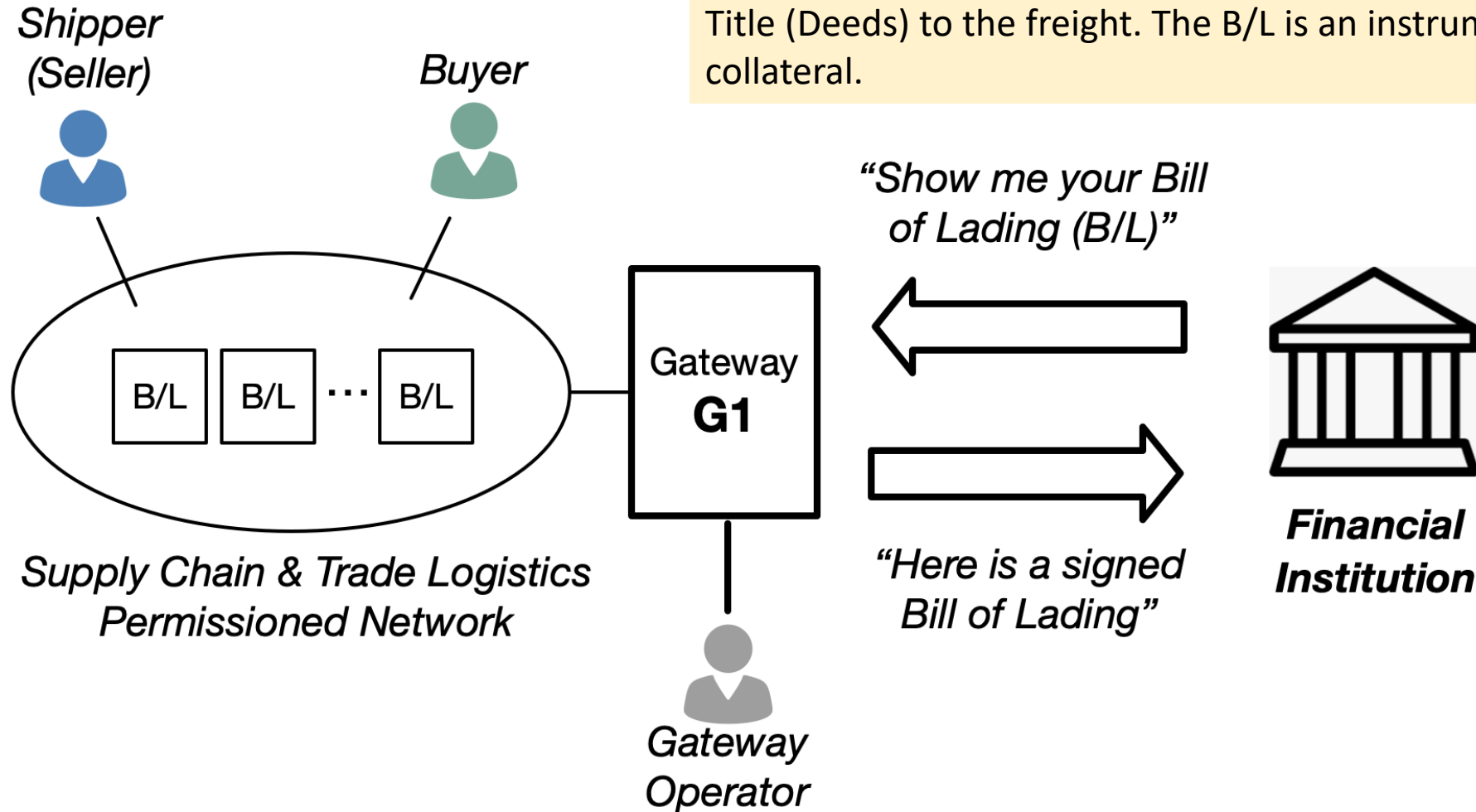
Background: Global Trade Highly Inefficient

- Paper-based processes (manual, time-consuming)

- Clearance takes too long & exposed to fraud

- High costs to Shippers/Sellers and Buyers

- Little ability to forecast supply chain disruptions in near real-time

- Unable share correct (trustworthy) information across the supply chain

Share trustworthy information over the Internet

- Buyer & Shipper (Seller) utilize a permissioned & private network carrying the Bill of Lading (B/L)

- Buyer needs short term loan from a Financial Institution in order to pay the Shipper/Seller

- The Financial Institution need the B/L as collateral, but it cannot see into the permissioned network

- The Bill of Lading data must be reported by the Gateway Operator as a neutral service provider

SATP Asset-Related Data Sharing Flow

The Buyer requires short-term loan from the Financial Institution to pay Seller/Shipper. The Bill of Lading (B/L) is the Title (Deeds) to the freight. The B/L is an instrument of loan collateral.

Shipper (Seller)

Buyer

"Show me your Bill of Lading (B/L)"

Gateway **G1**

B/L B/L ··· B/L

Financial Institution

"Here is a signed Bill of Lading"

Supply Chain & Trade Logistics Permissioned Network
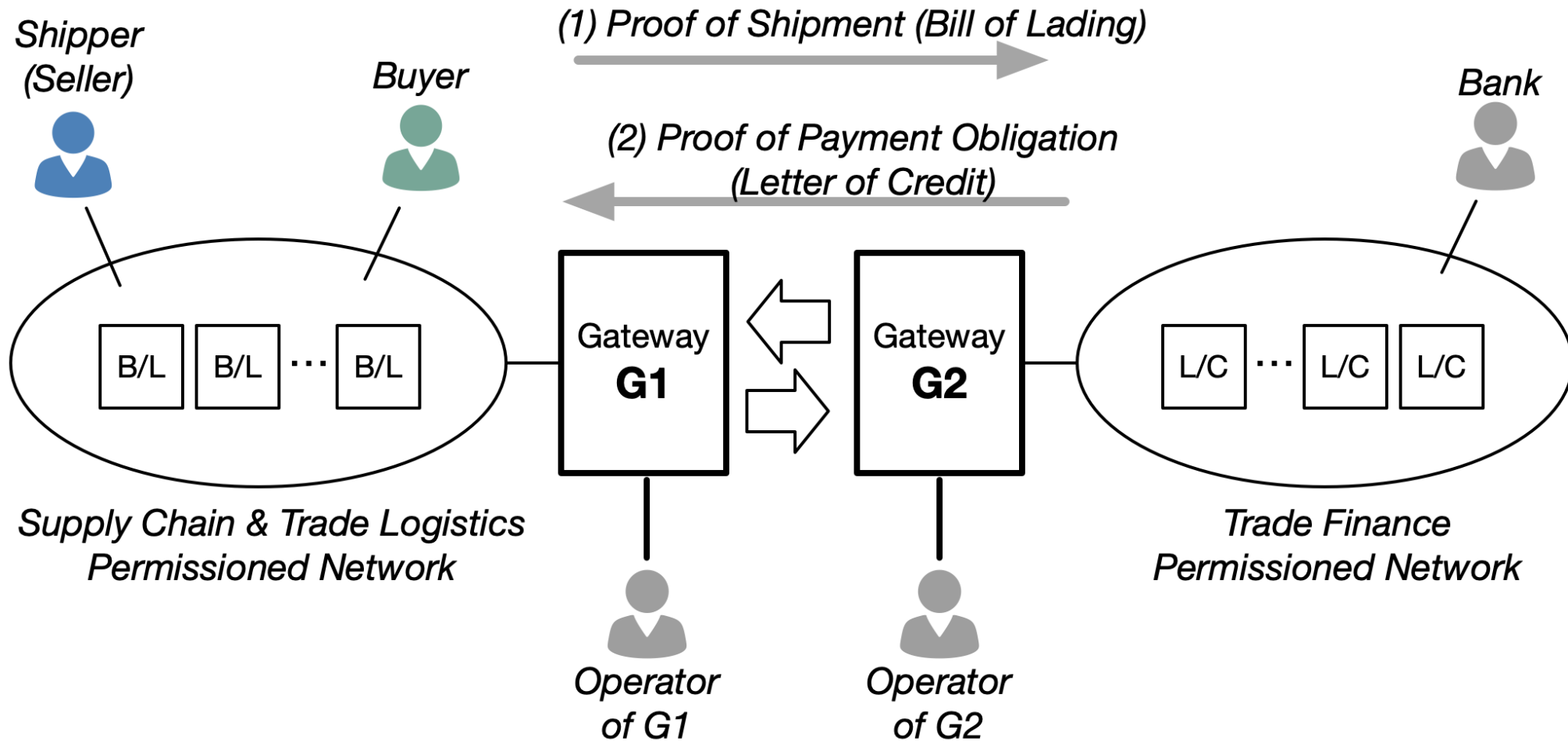
Gateway Operator

Beyond Notarization

- Digital Notaries witness the existence of a document at a given point in time
  - Not required to understand the semantics of contracts
  - No liabilities for contents of contracts
- Gateway operators in SATP
  - Attest to the truthfulness of contents of B/L and L/C
  - Takes-on legal & financial liabilities

SATP Asset-Related Data Sharing Flow

The Letter of Credit (L/C) is a guarantee of payment based on the Bill of Lading (B/L)

Other Types of Data

- Sea Waybill
- Commercial Invoice
- Packing List
- Booking Request
- Booking Confirmation
- Shipping Instructions
- Export Declaration
- Pro-Forma Invoice
- Arrival Notice

- Import Declaration
- Health Certificate
- Phytosanitary Certificate
- Veterinary Certificate
- Fumigation Certificate
- Inspection Certificate
- Certificate of Analysis
- Certificate of Origin
- Dangerous Goods Declaration

Global Entities in Ecosystem

- Ocean Carriers

- Government Authorities

- Financial Services

- Port operators

- Intermodal Operators (Planners)

- Shippers

- Freight Forwarders

References

- List of global Ocean Carriers, Government, Port Operators: https://www.tradelens.com/network

- *Building a Transparent Supply Chain*, by Vishal Gaur and Abhinav Gaiha, Harvard Business Review, May–June 2020.

- *Supply Chain Finance and Blockchain Technology*, by Hofmann, Strewe, Bosia. Springer 2018.