

## TRADE DIGITAL

Brought to you by

HAPPY  
2022  
NEW YEAR

TRADETRUST TEAM WISHES EVERYONE A HAPPY 2022!



## Editor's Note

The great changes brought about by today's new normal has brought new opportunities with the prioritisation of the digitalisation of trade. This is encouraging for us, and we have sought to take advantage of this opportunity. We have made inroads in tackling this issue holistically, establishing legal recognition of negotiable documents domestically and implementing agreements with other countries to extend that recognition needed for digitalised trade. We have also sought to change mindsets in the ecosystem, conducting pilots and proving both technical capability and the opportunity for efficiency gains through digitalised transactions, reducing labour and cost while improving speed. In this issue, we begin including guest articles as more players in the ecosystem see the benefits of conducting digitalised trade.

We now enter 2022 with optimism as the TradeTrust team places emphasis on discussions with P&I clubs and the International Chamber of Commerce (ICC) to address the ongoing challenges from various stakeholders along the supply chain. We are also embarking on a renewed branding initiative to improve awareness and adoption. Do look out for more news as we progress further with TradeTrust.

The TradeTrust project team wishes everyone a pleasant 2022.



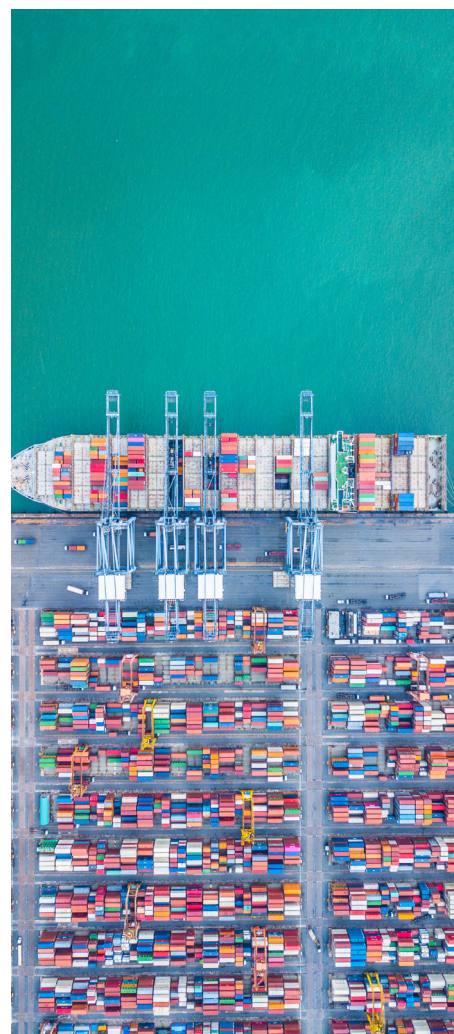
- Sin Yong Loh  
Director, Trade, IMDA

## Singapore – China (Shenzhen) Smart City Initiative - Trials On Digital Trade To Promote Business Productivity.

To achieve quicker Singapore - Shenzhen trade financing transactions, the Singapore - China (Shenzhen) Smart City Initiative (SCI)'s collaboration put in place a technological and policy innovation trial between the two cities. Enabled by IMDA's TradeTrust digital utility, banks, shipping lines, buyers, sellers, platform service providers and fintech companies have collaborated on successful technical trials on trade financing using simulated electronic Bills of Lading (eBLs). UOB, together with its Shenzhen Branch in China, and their clients have successfully concluded two digital trade financing technical trials. DBS Singapore, DBS China and their client have also conducted a third successful technical trial. Other banks including Bank of China Singapore Branch and Shenzhen Branch, Industrial and Commercial Bank of China Shenzhen Branch and Singapore Branch, and MUFG Bank will also be launching trade financing pilots in the coming months.

After the successful technical trials, the banks intend for commercial transactions to follow. The successful trials demonstrated how key maritime trade documents like the eBL could be used across different trade financing platforms and jurisdictions.

Please refer to this [link](#) for more information on the successful trade financing trials between the 2 cities.



## World's first digital trade financing pilot between MLETR-harmonised jurisdiction

A collaboration between Singapore's agencies, the Infocomm Media Development Authority (IMDA), Monetary Authority of Singapore (MAS), and the Abu Dhabi Global Market's (ADGM's) Financial Services Regulatory Authority (FRSA) has successfully piloted the world's first cross-border digital trade financing pilot between legally harmonised jurisdictions. The pilot was conducted with the participation of commercial partners DBS Bank, Emirates NBD and Standard Chartered.

The pilot used IMDA's TradeTrust framework to facilitate the transfer of electronic records between jurisdictions that have adopted the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR). This harmonises the legal recognition of digital documents such as electronic bills of lading (eBLs) across both jurisdictions, and complements the larger global trade movement by the G7<sup>[2]</sup> economies on adopting electronic transferable records in international trade. The adoption of the MLETR into statute law means increased legal certainty and commercial predictability for cross-border trades in both jurisdictions and paves the way for wider adoption of digital trade in the future.

Please refer to this [link](#) for further info about the trial.





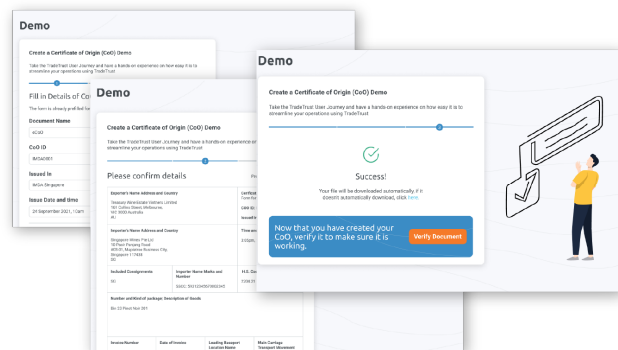
## What's New in TradeTrust?

We will be launching a new TradeTrust demo site soon.

### What is a demo site?

A fully functioning tool to allow you to try and test some of the key features of TradeTrust in a simulated environment. This demo site is a safe zone that allows interested parties to freely explore and perform hands-on some of the frequently used features in TradeTrust including experiencing the convenience of digital trade and trying out how a verifiable trade document is issued and verified.

Look out for this at <https://www.tradetrust.io>



## Hacksingapore

A nationwide hackathon that brings together a community to tackle problems through emerging technologies — Blockchain, No-Code & Gaming. This is your chance to develop skills, explore new technologies, and test new innovative ideas to propel Singapore's tech ecosystem forward.

We invite change-makers all over the country to join this hackathon and work on the Blockchain & Trust challenges and stand a chance to win up to \$10,000 for each category.



### The Era of Blockchain & Trust

#### Challenge Statement

#### Open Hack

**Think different.** Currently, the Ethereum main network is the canonical blockchain for the **TradeTrust framework**. The challenge is to submit a project with reference from TradeTrust GitHub, using **Ethereum scaling solutions such as layer 2s and rollups, or even alternative chains** which needs to **comply with the mandatory properties** of these **guidelines**.

#### Challenge Statement

#### Open Hack

Digital trust is becoming increasingly important as tech becomes pervasively embedded in the way we live, work, and play. Blockchain, trustworthy AI, and privacy-preserving technologies enable us to build better solutions to engender trust. Using your knowledge of blockchain or trust technologies, demonstrate a solution that would **address trust gaps in the digital economy today**.

### The Era of Blockchain & Trust

**\$10,000**

Challenge Statement Winner

**\$5,000**

Open Hack Winner

This hackathon is organised by Tribe and it's supported by angelhack and powered by IMDA. For more details you can visit the [Hackathon Website](#)

## GUEST ARTICLE

## Linklogis Opening Office in Singapore and Teaming Up with IMDA In Digital Trade

### Why does Singapore advance in Digital Trade?

Cross-border trade had been a very mundane, paper-based hence cost-ineffective process. On average, paper document processing expenses pile up to 30% of the cost incurred during the execution of cross-border trade, which is a staggering 7 to 10% of trade face value. In other words, every 100 dollars you pay for the trade, 3 dollars go to paper cost.

Since 1998 where Asia-Pacific Economic Cooperation (APEC) advocated paperless trade, Singapore has been on the frontier in driving digitalisation seriously. The Electronic Transactions Act (ETA) was first enacted in the same year, providing a legal foundation for electronic transactions. As cross-border trade, by nature, involves multiple jurisdictions, to make digitalisation happen on the ground, governmental support is the key.

Singapore took a very proactive role in driving inter-governmental deals. As early as in 2000, it entered into Asia-Pacific Economic Cooperation (ANZSCEP) with the New Zealand Government, which paved the way to a fully-regulated digital environment and e-applications across the two countries, followed by similar arrangements with Chile and Australia, the United Kingdom and South Korea.

Over the last 20 years, the regulatory environment continues to mature - in Singapore, ETA was amended in 2021 to recognise and provide validity and enforceability of electronic versions of negotiable instruments. It is a significant milestone for full paperless trade to realise – title documents are inevitably used in international trade. For instance, in a letter of credit workflow, the exporter submits a bill of lading - a title document - through its bank to the importer, effectively giving up ownership of shipped goods to the importer in exchange for payment at maturity.

### TradeTrust pilots

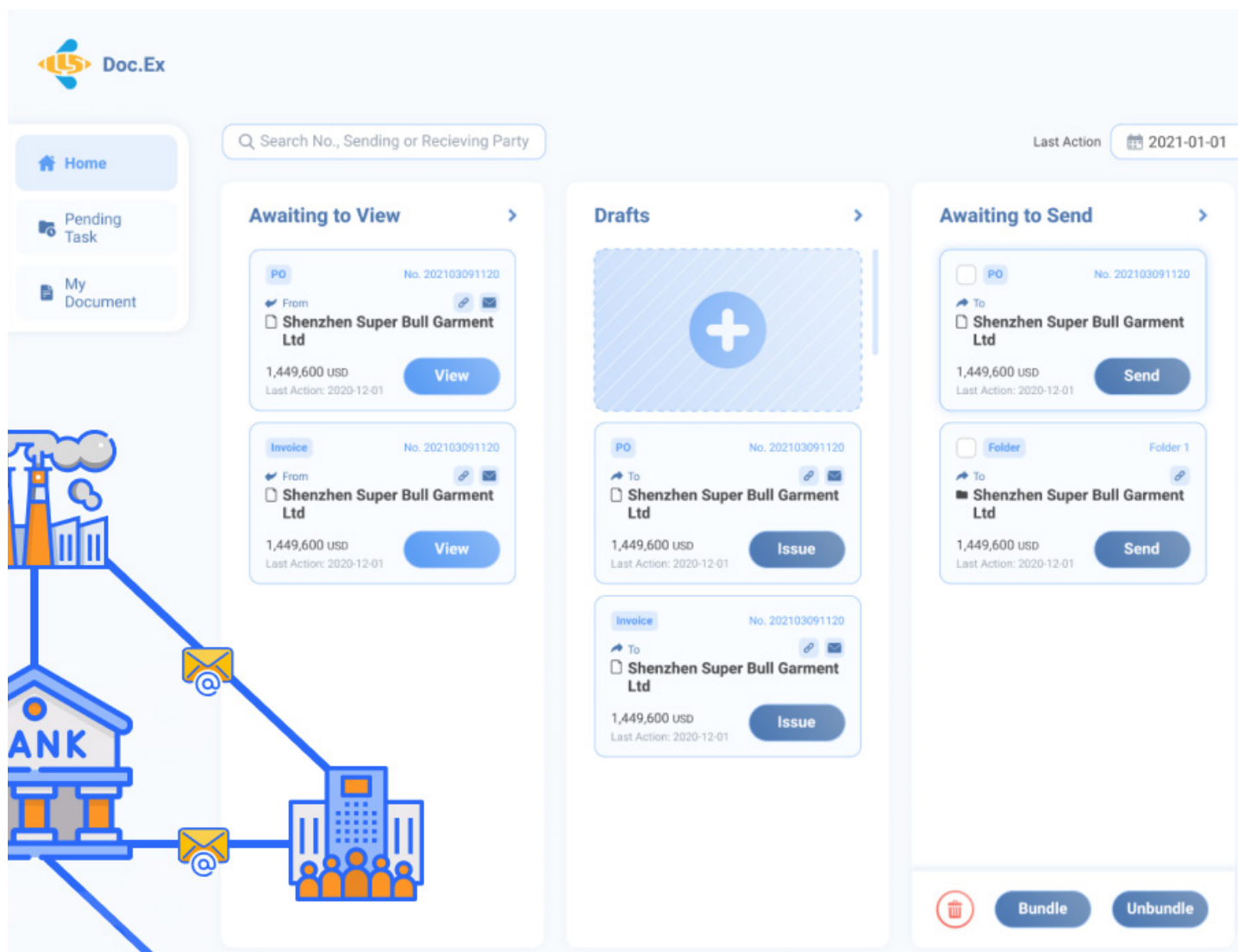
It is the landscape where our partnership with Singapore's Infocomm Media Development Authority (IMDA) comes into play. As part of Singapore-China (Shenzhen) Smart City Initiative (SCI) - a testament to both countries' ambition to scale greater heights in the digital realm - we carried out industry led pilots on paperless cross-border trade effectively utilising IMDA's TradeTrust, a blockchain-based digital utility with banks and customers in two countries. TradeTrust provides the backbone for electronic transfer of title documents - ownership information is registered irrevocably on blockchain. All parties can examine ownership, either on the blockchain itself or via the TradeTrust web application.

In the pilot, Linklogis connects its digital trade portal - **Doc.Ex** - to TradeTrust such that users can send, receive, transfer the title of and verify the authenticity of the underlying document within clicks. Doc.Ex users, be it located in Singapore or China, can use Doc.Ex interface to execute TradeTrust commands, so there is no need to log into a separate system. Similar to Doc.Ex, many other e-trade platforms can also connect to TradeTrust - all platforms can talk to one single source of truth (TradeTrust) instead of connecting to another in a spider web, peer-to-peer manner. It allows feasibility for the network to grow and scale up quickly.

## GUEST ARTICLE

Doc.Ex UI interfaces are very user-friendly - it resembles an email client - so the learning curve is flat for most users.

The pilots ran well with banks like DBS Bank and UOB successfully conducted the trials with their clients. More banks are coming onboard like ICBC, and MUFG Bank and their clients are currently planning on taking part in upcoming pilots.



## Linklogis' move to Singapore

As excited as we joined the TradeTrust pilots, we've officially launched a branch office in Singapore, advancing our move in opening a digital bank early this year (2022). We truly believe in the future of Singapore and are pleased to utilise Singapore as a strategic location to penetrate further into the Southeast Asia market.

By Digital Trade Product, Linklogis International

## TRADETRUST INTERNATIONAL ENGAGEMENTS

### ASIA DEVELOPMENT BANK:

DIGITALIZING TRADE  
IN ASIA NEEDS A  
LEGISLATIVE REFORM  
21 October 2021

This ADB webinar aims to promote better understanding of MLETR and disseminate global best practices on enabling of electronic trade documents, as well as sharing challenges countries face with a view to facilitate the UN model law's faster and wider adoption.



<https://events.development.asia/learning-events/digitalizing-trade-asia-needs-legislative-reform>

### 2021 WCO TECH-CON:

SCALING UP  
BLOCKCHAIN  
TECHNOLOGY  
WITH STANDARDS  
10 November 2021

The World Customs Organization held its 2nd TECH-CON in a virtual mode on 10-11 November. TECH-CON 2021 discussed international standards of importance for automation and interoperability amongst relevant systems contributing to the efficiency of border procedures.



<https://na.eventscloud.com/website/30658/day-1/>

### US-ASEAN VIRTUAL WORKSHOP ON DIGITAL TRADE STANDARDS AND CONFORMANCE

7 December 2021

This event is initiated as a result of the Council's engagements with the ASEAN Consultative Committee on Standards and Quality's (ACCSQ) and the Digital Trade Standards and Conformance Working Group (DTSCWG) in May and June of 2021.

The workshop aims support ASEAN's regional economic integration agenda through harmonization of digital trade rules and minimization of unnecessary technical barriers that may impede digital trade.



<http://usasean.memberzone.com/events/details/us-asean-virtual-workshop-on-digital-trade-standards-and-conformance-8640?calendarMonth=2021-12-01>



# Amending Singapore's Electronic Transaction Act to Support Digitalised Trade Documents

## WHAT IS THE ETA?

The Electronic Transactions Act (ETA) facilitates the use of e-commerce and e-transactions by giving e-contracts and e-signatures the same status as written contracts and signatures

ETA amendments enable the creation and use of Electronic Transferable Records (ETRs), such as electronic Bills of Lading (eBLs)

## WHAT IS A BILL OF LADING?

A BILL OF LADING IS A TRANSPORT DOCUMENT AND A DOCUMENT OF TITLE OVER GOODS IN TRANSIT

### THE PROCESS

- 1** Seller engages Carrier to deliver cargo and will receive a Bill of Lading (BL)
- 2** Seller releases BL to Buyer upon payment
- 3** Buyer can only collect the goods when they produce the original BL

- Possession of the original BL is of crucial importance
- Previously, usage of electronic versions of BLs had been difficult due to technological and legal challenges in establishing what is the "original document" and "who possesses it"

## WHY DO WE NEED eBLs?

- 1 FASTER PROCESSING**
- 2 LOWERED FRAUD RISKS**
- 3 COST SAVINGS**
- 4 INNOVATIVE BUSINESS MODELS**

- No additional costs to hold cargo as goods are less likely to arrive at their port of destination before document processing is complete
- **US\$4 billion** estimated savings a year if 50% of the container shipping industry adopts eBLs, according to Digital Container Shipping Association
- Trade financing banks can obtain collateral security over the eBL, allowing them to obtain regulatory capital relief and pass on cost savings to clients

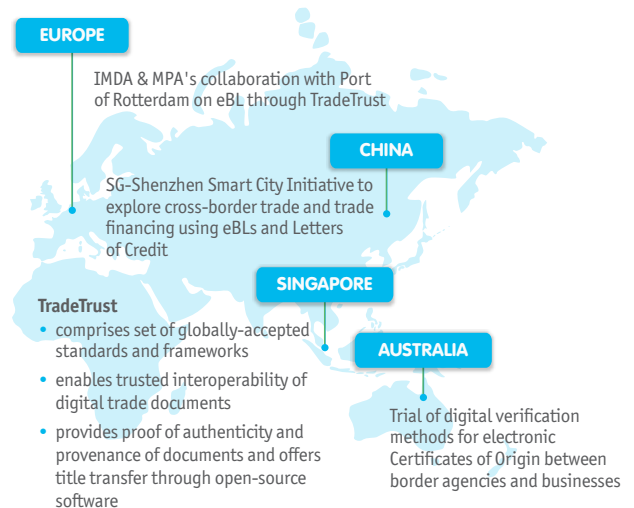
### JOIN US

- In digitalising your business processes
- By incorporating TradeTrust code into your applications  
Visit <https://tradetrust.io>

## A BILL OF LADING IS A KEY DOCUMENT FOR INTERNATIONAL TRADE



## THE ETA AMENDMENTS SUPPORT AND COMPLEMENT THE GOVERNMENT'S TRADE DIGITALISATION INITIATIVES



[www.imda.gov.sg](http://www.imda.gov.sg)

[f](#) [t](#) [v](#) [in](#) /IMDAsg

#SGDIGITAL



## About TradeTrust

TradeTrust comprises a set of globally-accepted trade process standards and frameworks, that connects governments and businesses to a public blockchain. In doing so, it enables interoperability across different platforms so that electronic trade documents can be exchanged in a trusted fashion across these digital platforms.

### 4 Key Components of TradeTrust

#### 1 Legal Harmonisation

Provide legal validity for electronic negotiable documents

#### 2 Standards Development

Develop international standards that TradeTrust complies to

#### 3 Accreditation Structure

Certify technical solutions that meet the requirements of the law

#### 4 Open Source Software

Develop a set of open-source codes that can easily integrate backend solutions to TradeTrust network



TradeTrust documentation:  
[docs.tradetrust.io](https://docs.tradetrust.io)

TradeTrust Software:  
[github.com/TradeTrust](https://github.com/TradeTrust)

TradeTrust tech webinar videos:  
[tradetrust.io/learn](https://tradetrust.io/learn)



Find out more at  
[TradeTrust.io](https://Tradetrust.io)



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