

Discussion Document
Prepared For:



Pilot Blockchain Enabled Yacht Brokerage On Monaco Cloud

YOUR CONTACT:

Richard Sealy

richard@humboldt.associates

+33 (6) 09 53 05 02

THE IDEA

Showcase Monaco's leadership in secure, compliant digital transformation

Conduct a Proof-Of-Concept of a compliant blockchain enabled yacht brokerage platform residing on the Monaco Cloud.

KEY BENEFITS INCLUDE:

1

Provides an ideal use-case and potential revenue stream for Monaco's secure sovereign cloud infrastructure

2

Provides a tangible example of Monaco's digital transformation delivering immediate and quantifiable value to a key local industry, *Luxury Yacht Brokerage*

3

Is supportive of Monaco's determination to demonstrate compliance of high value transactions and cross-boarder cooperation aligned with FATF standards

4

Provides businesses the agility and efficiency to meet increasingly stringent AML, KYC, Sustainability and Crypto compliance standards and governance

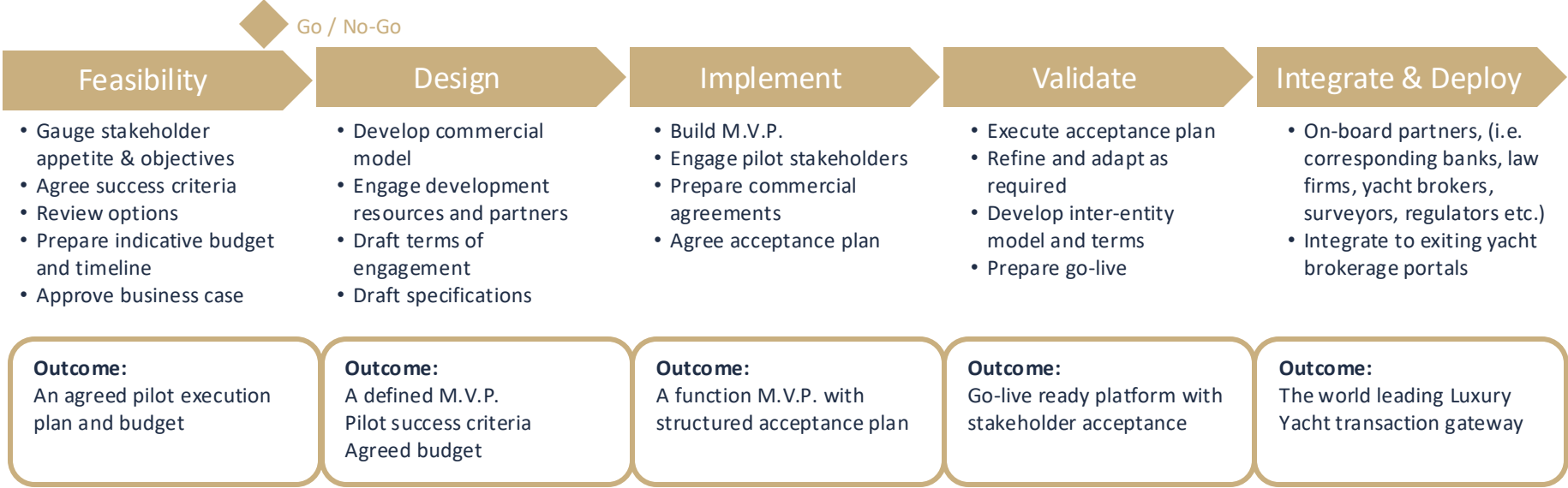
5

Further projects Monaco's attractiveness as a progressive, international Financial Services centre with industry leading cryptographic capabilities built on a secure, sovereign infrastructure. *** For comparisons, refer to Appendix: REFERENTIAL EXAMPLES ***

THE APPROACH

A pragmatic and structured, sequential approach will permit informed go / no-go decisions at appropriate intervals by relevant stakeholders

A Time-bound Pilot *Illustrative Only*



With Strong Governance



REFERENTIAL EXAMPLES:

1

eTradeConnect is a blockchain-based trade finance platform developed in Hong Kong, primarily aimed at improving trade efficiency and transparency. Its key features and benefits include:

- **Digitization of Trade Finance:** The platform digitizes traditional trade finance processes, allowing stakeholders to manage trade documents and transactions seamlessly online, reducing reliance on paper-based systems
- **Blockchain Technology:** By utilizing blockchain, eTradeConnect ensures data security, transparency, and immutability, enhancing trust among participants
- **Enhanced Efficiency:** It streamlines workflows and accelerates trade financing processes by minimizing manual interventions, improving overall efficiency and reducing processing time
- **Collaboration Across Banks:** Developed by a consortium of leading banks, the platform fosters collaboration, allowing multiple financial institutions to participate in a unified ecosystem for trade finance
- **Cross-Border Interoperability:** It supports international trade by integrating with other platforms like we.trade, enabling cross-border connectivity and seamless transactions
- **Fraud Reduction:** The use of blockchain minimizes risks related to document fraud, duplication, and other inconsistencies

The platform is part of Hong Kong's broader push to lead in fintech innovation, offering businesses—especially SMEs—more accessible, transparent, and efficient trade financing solutions

REFERENTIAL EXAMPLES:

2

we.trade is a blockchain-based trade finance platform developed by a consortium of European banks. It facilitates open account trade transactions, offering features like automated payments and smart contract execution. Focused on small and medium-sized enterprises (SMEs) conducting domestic and cross-border trade .

3

Marco Polo Network is a global trade finance platform powered by blockchain, developed by R3 and TradeIX. It Provides solutions for receivables financing, payables financing, and payment commitments. It is designed to increase visibility, reduce risks, and enhance liquidity in trade finance .

4

Contour (formerly Voltron) Is focused on digitizing the letter of credit process using blockchain technology. Allows buyers, sellers, and banks to collaborate securely in real-time, significantly reducing the processing time for letters of credit. Contour is prominent in Asia and expanding globally .

5

TradeLens Is a blockchain-based platform focused on global supply chain management, co-developed by IBM and Maersk. It facilitates secure data sharing among supply chain participants, improving transparency and reducing paperwork.

- Blockchain Technology: All platforms emphasize secure, immutable, and transparent data sharing.
- Digital Transformation: They aim to digitize traditional, paper-heavy trade finance processes.
- Global Reach: Many support cross-border trade and interoperability across platforms.
- Risk Mitigation: By reducing fraud and errors, these platforms enhance trust among participants.

SUCCESS CRITERIA COULD INCLUDE:

- **Supports Smart Contracts & Validated Payments**

The smart contract enforces predefined conditions (e.g., completion of a survey, successful sea trial, AML / KYC and title transfer)

Funds are released upon tamper-proof validation

- **Enables Transparency and Trust**

Create an immutable ledger of transactions and updates

All parties (buyer, seller, broker, and escrow agent) can view the status of the funds and contractual obligations in real-time

- **Ensures Security and Privacy**

Enforce a Privacy Model which ensures that sensitive financial data and transaction details are only visible to authorized parties

- **Supports AML Compliance & KYC**

Automate checks to verify the identity of buyers and sellers (KYC - Know Your Customer) and track funds to ensure compliance with AML regulations

Blockchain creates a transparent audit trail, making it easier to demonstrate compliance to regulators

- **Permits Tokenization of Funds**

Tokenize funds on the blockchain to ensure that the escrowed amount is secure, cannot be tampered with, and is readily available for release

Tokenized funds can facilitate multi-currency payments or conversions in cross-border transactions, reducing reliance on traditional banking systems

- **Enables Milestone-Based Payments**

Enable funds to be released in increments as specific milestones are verified

Use smart contracts to automatically validate milestones based on data from third-party verifiers (e.g. during a yacht build or major refit)

- **Reduces Costs & Intermediary Overhead**

Optimise workflows with multiple intermediaries (such as escrow agents and banks)

Save time on fund verification and settlement

- **Provides Global Accessibility**

Provide a unified platform for escrow management regardless of jurisdiction.

Accelerate cross-border fund transfers and reduced delays associated with traditional banking systems.