HUMBOLDT

Proof Of Concept Proposal

Blockchain Enabled Yacht Brokerage

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PROJECT PURPOSE

Prove Blockchain technologies can bring significant benefit to high value yacht transactions in terms of AML / KYC / Sustainability compliance, security, and overall efficiency. We will pilot an established Blockchain framework designed for complex, private, authorised business transactions in order to validate its potential in the Superyacht brokerage industry

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.

CHALLENGES & CONSIDERATIONS

- Technology Acceptance: Some stakeholders may be unfamiliar with blockchain and need assurance of its security and reliability

- Regulatory Compliance: The implementation of blockchain must comply with local regulations governing e-money, escrow services, financial transactions, and data privacy. (e.g. , MiCA, GDPR in Europe)

The Superyacht brokerage industry can continue to demonstrate commitment and leadership in regulatory compliance, sustainability, security, and efficiency through increased digitalization and Blockchain technologies will play a significant role

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