

Competition & Antitrust and Trade | Shipping & International Trade

Singapore Conducts World's First Live Electronic Transferable Record Cross-Border Trade

Introduction

The digitalisation of trade has been the subject of increasing focus, with accelerating developments in both the technology and the legal framework required to support the necessary transformation. Countries are looking to digitalisation for the advantages it carries in terms of efficiency, security and cost savings. In this regard, Singapore has taken a position as a regional leader in trade digitalisation, with numerous programmes and initiatives directed at achieving effective implementation.

In line with this, the Infocomm Media Development Authority ("**IMDA**") has announced that it has successfully executed a live shipment from Singapore to Thailand during the first quarter of 2023. This fully paperless, live cross-border trade was conducted using an Electronic Transferable Record ("**ETR**"), that is functionally equivalent to a paper Bill of Lading using Singapore's [TradeTrust](#) framework.

This is the world's first ETR cross-border trade, and demonstrates Singapore's championing of the pushing of boundaries of digitalisation for global trade. Parties involved in international trade should be aware of Singapore's growing capabilities in this regard, and the development of trade options that they may be able to take advantage of in the near future.

This Update provides an overview of the landmark ETR cross-border trade conducted by IMDA.

Background

The trade was conducted using Singapore's TradeTrust framework, which was pioneered by IMDA. TradeTrust comprises globally-accepted standards that connect governments and businesses to a public blockchain to enable interoperability of electronic trade documents across digital platforms. It allows end users to digitally endorse, exchange and verify documents and effect title transfer.

TradeTrust can be utilised to digitalise both verifiable documents and transferable documents (such as Bills of Lading) used in cross-border trade. For transferable documents, TradeTrust has been developed to meet the requirements of the United Nations Commission on International Trade Law Model Law on Electronic Transferable Records ("**UNCITRAL MLETR**"), which was adopted into Singapore's legislation in 2021. This serves to harmonise the legal recognition of digital documentations between the jurisdictions which have adopted the UNCITRAL MLETR.

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Overview of the Live Trade

IMDA has provided further details on the ETR cross-border trade it conducted with the participation of industry partners. ExxonMobil Asia Pacific Pte. Ltd. was the shipper, Bunkerchain was the digital platform provider, and VLK was the vessel owner.

The process took place as follows:

- ExxonMobil Asia Pacific shipped liquid chemicals from Singapore to Thailand.
- VLK issued an electronic Bill of Lading ("eBL") using Bunkerchain, which is a TradeTrust-enabled digital platform.
- A Digital Passports for Ships was created on the eBL, ensuring that digital identity used in the signing was onboarded and verified.
- The eBL was surrendered on the TradeTrust Reference Implementation, demonstrating interoperability across different systems, and interoperability between digital and paper-based processes.
- VLK was supported by their Protection and Indemnity Club, on the basis that liabilities arising from the use of the eBL are equivalent to the liabilities under the use of a paper-based Bill of Lading.
- The eBL was legally supported solely by statutory law without the use of any contract law or rulebook, demonstrating that an eBL issued using the TradeTrust framework can be used in a non-UNCITRAL MLETR jurisdiction, such as Thailand.

Concluding Words

The introduction of eBLs provides significant advantages for parties in the trade process, including greater efficiency through automating existing processes, shorter waiting times, and reduced costs. With continued cooperation with industry partners, Singapore seeks to encourage the use of ETRs to facilitate cross-border trade. This recent ETR cross-border trade demonstrates the potential of eBLs, and that they can be used in the industry even in the absence of a contractual framework.

For further queries, please feel free to contact our team below.

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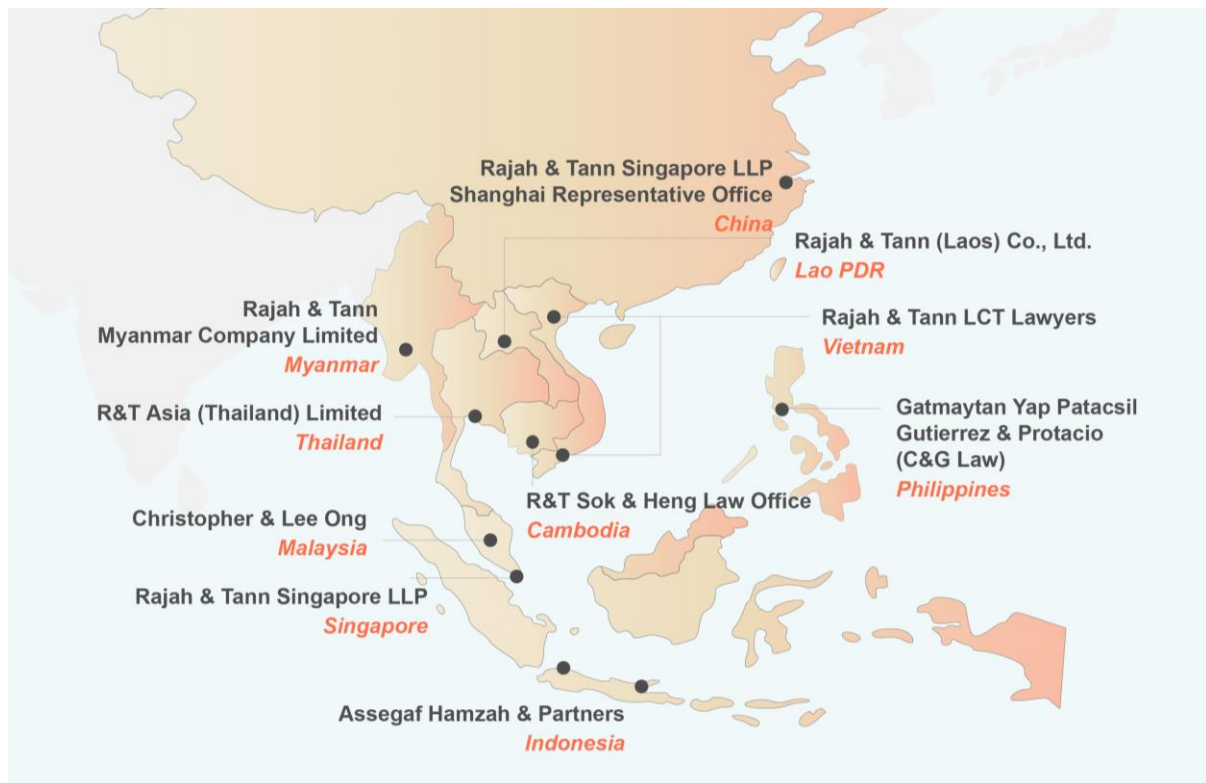
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