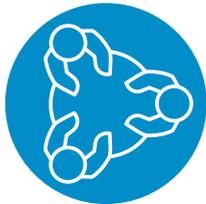## PARTNERSHIPS AND COLLABORATIONS

### I. SWIFT AND IMDA JOIN FORCES TO ACCELERATE TRADE DIGITALISATION

Through the signing of a Memorandum of Intent (MOI) between Singapore's Infocomm Media Development Authority (IMDA) and SWIFT, both parties will work to combine TradeTrust, an interoperability framework that connects various platforms for the exchange of digital trade documentation, with the SWIFT community to accelerate trade digitalisation.

TradeTrust provides proof of authenticity of documents and offers title transfer through open-source software[1]. This functions alongside legal harmonisation to recognise these digital documents. When paired with SWIFT's ability to securely transport industry standardised electronic trade messaging, scanned hardcopy documentation and digitally signed assets, this will pave the way for the seamless exchange of electronic trade documents around the world.

This collaboration will offer SWIFT's community of more than 11,000 financial institutions and corporates in over 200 countries and territories more efficient and cost-effective cross-border paperless trade, without the need for multiple bilateral linkages and siloed systems. Moving manual processes to digitally enabled ones also creates opportunities to shorten trade processing times and open up possibilities for innovation such as new trade financing offerings to the trade community.

Source: *https://www.swift.com*

Footnote:
[1] TradeTrust is aligned with the Model Law on Electronic Transferable Records (MLETR) published by the United Nations Committee on International Trade Law in 2017.

## Editor's Note

As we look back on 2020, the word "unprecedented" was a commonly used term. The year of COVID-19 has made the world grapple with cataclysmic change, and the trade industry was no exception.

Suppliers halted production when regular commerce became paralysed by lockdowns, and logistics providers were now faced with difficulties in bringing cargo across borders. The paper trail of conventional trade documentation also became a concern as a possible vector of disease transmission. Where digitalisation has always been important in reducing operational costs and improving efficiencies of the trade process, what was once considered a choice, is now a must-have.

In this, TradeTrust plays an important role in breaking down the compatibility barriers to entry, overcoming silo platforms and helping to unify an ecosystem plagued by fragmentation. Our planned amendment to the Singapore's Electronic Transactions Act (ETA) to adopt the MLETR helps to ensure we comply with global standards of best practices that will facilitate legal harmonisation and in turn make the legal reliability of digital documentation more attractive.

We are grateful for the many forward-looking captains of industry who recognise the need for digitalisation. Through many collaborations, we have been able to turn conceptual flow into workable trials, testing processes and ensuring that transactions can be made seamlessly. We believe these steps will make digital the default means of transacting eventually.

The pandemic continues to disrupt our lives, and an end point remains unpredictable. But with adversity comes the opportunity for the world to embrace change and come out of this challenge stronger than before. The present may be bleak, but the future remains bright for trade.

May you remain safe and healthy as we gear ourselves for a better tomorrow.

- **Sin Yong Loh**
Director, Trade, IMDA

## II. AUSTRALIAN BORDER FORCE LAUNCHES BLOCKCHAIN TRIAL WITH SINGAPORE

Reducing administrative costs and increasing trade efficiency for businesses across the region are just some of the benefits of the Australian Border Force's (ABF) blockchain trial with Singapore.

The trial was launched on 23 November 2020 with Singapore Customs and IMDA. This trial aims to test digital verification platforms across both the ABF-developed Intergovernmental Ledger (IGL) and IMDA's TradeTrust reference implementation for electronic trade documents. Businesses and regulators will give feedback on their experience verifying Certificates of Origin (COO) with the two systems – with the aim of reducing administration costs and increasing trade efficiency. The Australian Chamber of Commerce and Industry, Australian Industry Group, as well as financial institutions in Singapore, will take part in the trial. This collaboration endeavours to make trade documentation simple and paperless.

ABF Commissioner Michael Outram said the ABF looks forward to close collaboration with international partner agencies on mutual border modernisation programs. "The ABF welcomes the opportunity to collaborate further with Singapore to improve cross-border trade between our countries. In addition to our efforts internationally, this initiative will incorporate paperless trading and secure digital exchange of trade information as part of the future architecture and design of an Australian Trade Single Window".

Source:
*https://newsroom.abf.gov.au*

## III. SINGAPORE-CHINA (SHENZHEN) SMART CITY INITIATIVE CREATES NEW BUSINESS OPPORTUNITIES THROUGH DIGITAL CONNECTIVITY

The Singapore-China (Shenzhen) Smart City Initiative (SCI) continues to strengthen strategic cooperation between Singapore and China. Since SCI's launch last year, there has been good progress with several SCI projects to help businesses innovate and tap on growth opportunities. A testament to both countries' ambition to scale greater heights in the digital realm, a pilot on paperless cross-border trade is on track to commence as early as the first quarter of 2021. One of eight MOUs signed in June this year at the sidelines of the first SCI Joint Implementation Committee (JIC) meeting, the project aims to achieve mutual recognition of electronic trade documents such as the electronic Bill of Lading (eBL) for seamless cross-border trade transactions. Some of the 14 participants of the pilot include DBS, Standard Chartered Bank, Bank of Communication, China Construction Bank, PIL and GUUD.

Source:
*https://www.imda.gov.sg*

# TRADETRUST USE CASES AND APPLICATIONS

## I. Checking and verifying digital document authenticity and provenance

Current forms of digital documentation are not secure and are prone to tampering. It can also be difficult to prove the source of origins. One of the main features of TradeTrust is the ability to provide authenticity and provenance of trade documentation by leveraging the use of distributed ledger technology (DLT).

An example use case is the ongoing trial with the ABF, where COO issued by the IGL platform will be tested and verified by the Singapore Customs using TradeTrust reference implementation for the export of Australian goods into our borders.

## II. Performing title transfer on eBL

One negotiable instrument is the bill of lading (BL) which is traditionally a hardcopy document issued typically by the carrier and accompanies the underlying goods for each shipment. The paper-based processes results in inefficiency and delay as time required to process the paper-based documents for clearance may far exceed the actual time of physical movement of goods. There are also risks of the BL getting lost in transit and thereby potentially incurring demurrage costs to the traders. Despite these challenges, eBLs are still not widely used in the international trade ecosystem, largely due to the lack of clarity with regard to legal recognition of eBL in different jurisdictions, as well as the lack of implementation standards for the eBL, which give rise to non-interoperability issues across ecosystems and solutions. TradeTrust aims to address the current gaps of digitalising the BL, and it shall be supported by a set of governance and legal frameworks, standards, and future-ready technology, all working in concert to facilitate the interoperability and exchange of electronic trade documents such as the BL, between different digital platforms and ecosystems.

A successful Proof of Concept (PoC) was executed on 31 March 2020 to trial the transfer of title for eBLs based on the TradeTrust framework. Simulated transactions carried out in the PoC were for the transfer of title from a shipper to a consignee for shipments from Rotterdam to Singapore and vice versa. The next step will be the practical use of the framework in shadow shipments on the trade lane Singapore to Rotterdam and vice versa. As part of this next phase, the interoperability of TradeTrust with other blockchain platforms will be demonstrated through the DELIVER platform, that is jointly being developed by ABN-AMRO, Samsung SDS and Port of Rotterdam.

Source: *https://www.portofrotterdam.com/en/news-and-press-releases/succesfull-proof-of-concept-electronic-bill*

## III. Batch Document Issuance

For ease of issuing a large volume of digital documents, TradeTrust offers the ability to consolidate digital documents and perform batch issuance. For example, if there's a large number of trade documents to be issued, such as issuance of COO, the issuer has the option to consolidate the documents and perform a batch issuance at the end of the day. This will save time and cost of operations.

## IV. Paperless-to-Paper workflow and vice versa

Recognising the difference in digital readiness across different actors across the supply chain, TradeTrust is designed to support a paperless-to-paper workflow and vice versa. Documents issued on the TradeTrust framework have an option to include a QR code where it could be printed into paper form when the documents are exchanged across the supply chain. The QR code in the document could be scanned by receivers in the supply chain to retrieve the digital copy for document verification.

# STANDARDS

## TradeTrust's contribution to TC 307

Use cases are important in the development of ISO standards and Singapore is pleased to play a part in advancing standards in the area of blockchain and DLT. In September 2016, a Technical Committee on blockchain and electronic DLT was established (TC 307) by Australia and international standardisation efforts began in the areas of blockchain and electronic distributed ledger systems and application, interoperability, and data exchange between users. As a participating member, Singapore has contributed to two comprehensive use cases to TC 307 Working Group 6:

**1** The first use case describes how proof of authenticity and provenance of electronic trade documentation is carried out by leveraging the use of DLT.

**2** The second use case describes the Electronic Transferable Record (ETR) custody and title register in international trade. It also provides a solution for how DLT and non-DLT systems can all take part in blockchain transactions.

We believe this is yet another step towards a future of digital trade.

**Source:** *https://www.iso.org/committee/6266604.html*

# GLOBAL ENGAGEMENT AND OUTREACH

As COVID-19 continues to impact trade globally, industry events have provided insightful takeaways for navigating this new normal.

## Smart China Expo 2020
## 15 Sep - 17 Sep

TradeTrust was featured as part of the third Smart China Expo (中国国际智能产业博览会). The event aims to promote the exchange of intelligent technologies and cooperation within the international tech industry. The theme of this year's online exhibition was "Smart Technology: Empowering Economy, Enriching Life". The Singapore Pavilion in the virtual exhibition hall served as a platform for networking between Singaporean and Chinese companies.

## Sibos 2020
## 5-8 October

Held digitally for the first time, SWIFT at Sibos saw thousands of customers attending insightful sessions live online. Mr Loh Sin Yong, Director of Trade, IMDA participated in one of the panel discussions together with Luca Castellani, Secretary of the United Nations Commission on International Trade Law, Working Group IV (Electronic Commerce), with SWIFT's Head of Trade Strategy Louise Taylor-Digby as the moderator.

The panel discussed that Technology alone is not enough, there also needs to be legal harmonisation which is a key component to help accelerate trade digitalisation. The session is one of the top 10 key takeaways from SWIFT at Sibos 2020.

Watch the recording of this session *here*.
Source: *https://www.swift.com*

## TC307-Plenary
## 12 Nov

A TradeTrust update was presented at the recent TC307 Plenary in Nov 2020. The scope of TC307 outlines the standardisation of blockchain technologies and DLT.

For more information:
https://www.iso.org/committee/6266604.html

## CAEXPO - 17th China-ASEAN Expo 27-30 November

The 17th China-ASEAN Expo was held from 27-30 November in Nanning, China. TradeTrust was featured in the exhibition booth as part of the Singapore National Pavilion. CAEXPO aims to enhance cooperation between China and ASEAN, and had both physical and virtual events this year.

## International Trading Institute@ Singapore Management University 1 Dec

The International Trading Institute @ Singapore Management University (SMU) was established as a tripartite partnership between the Singapore government, industry partners (trading and maritime industry) and SMU. A sharing on TradeTrust was conducted at its advisory meeting.



## World CIO 200 APAC Singapore on 3 Dec and World CIO 200 Summit (Grand Finale) on 14 Dec

A presentation on **Trade - Adapting to present challenge** was delivered at the World CIO 200 Summit 2020. The World CIO 200 Summit 2020 is part of the World CIO 200 Roadshow touring 26 countries celebrating the "Digital Leaders" of today.

For more information:
*https://globalcioforum.com/cio-200/#about-the-event*

## Singapore Fintech Festival 7 - 11 Dec

The Singapore Fintech Festival this year had over 40 global satellite events in FinTech hubs around the world. TradeTrust was featured in the IMDA Village Exhibition.

For more information:
*https://www.fintechfestival.sg/*

## 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**

TradeTrust Software:
**github.com/TradeTrust**

TradeTrust tech webinar videos:
**tradetrust.io/resources**

Find out more at
**TradeTrust.io**

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