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1st

Blockchain Bill of Lading in History

Smart B/L

CargoX Platform

The digitalisation of trade documents with Blockchain Document Transfer

eMail + eBanking + Blockchain = CargoX Platform

- 100% secure
- Reduces costs & increase of working capital
- Instant transfer
- User-friendly

eBill of Lading

- The Hamburg Rules 1978: the possibility of electronic signature of a BL.
- The CMI Rules for Electronic Bills of Lading 1990.
- UNCITRAL's Model Law on Electronic Commerce 1996 and later Model Law on Electronic Signatures
- Rotterdam Rules 2009
- BIMCO adopted a standalone Electronic Bill of lading Clause in 2014
- UNCITRAL's Model Law on Electronic Transferable Records from 2017 (some principles):
- Functional equivalence & technological neutrality
- Requirements of singularity and control
- eBL should be: original & unique
- Non-discrimination of foreign electronic transferable records

CargoX Ltd.

CargoX offers Blockchain Document Transfer (BDT)

Our electronic BL mirrors paper BL workflow.

Main challenges:
uniqueness and originality.

CargoX achieves this through distributed - blockchain ledger rather than through centralized administrator.

Features

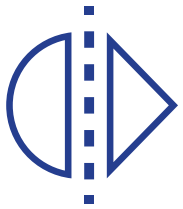
- Browser only
- Tracking of document
- Audit log
- Digital repository
- Interoperable (API)
- Full-text search
- Different types of documents

Blockchain

> When data is transferred across a DLT system, each transfer of information is represented in the form of a block being added to another chain of blocks. To verify this appendage, a difficult, mathematical computation must be solved. Because the proof of this computation is distributed across multiple nodes, the information on the blockchain cannot be deleted or amended; only appended.19 The result of this is accurate authentication of the transferor's identity and a record of data that is made immutable.20 The blockchain contains the history of every token in circulation, providing proof of who owns what at any given juncture through a chain of notarised appendages. This is the key differentiation between DLT-based EDI and regular, centralised EDI.

'Blocks of lading' distributed ledger technology and the disruption of sea carriage regulation
Jake Herd, Volume 18, QUT Law Review, General Issue 2 pp. 306–317

Why public blockchain?



Neutral

Open

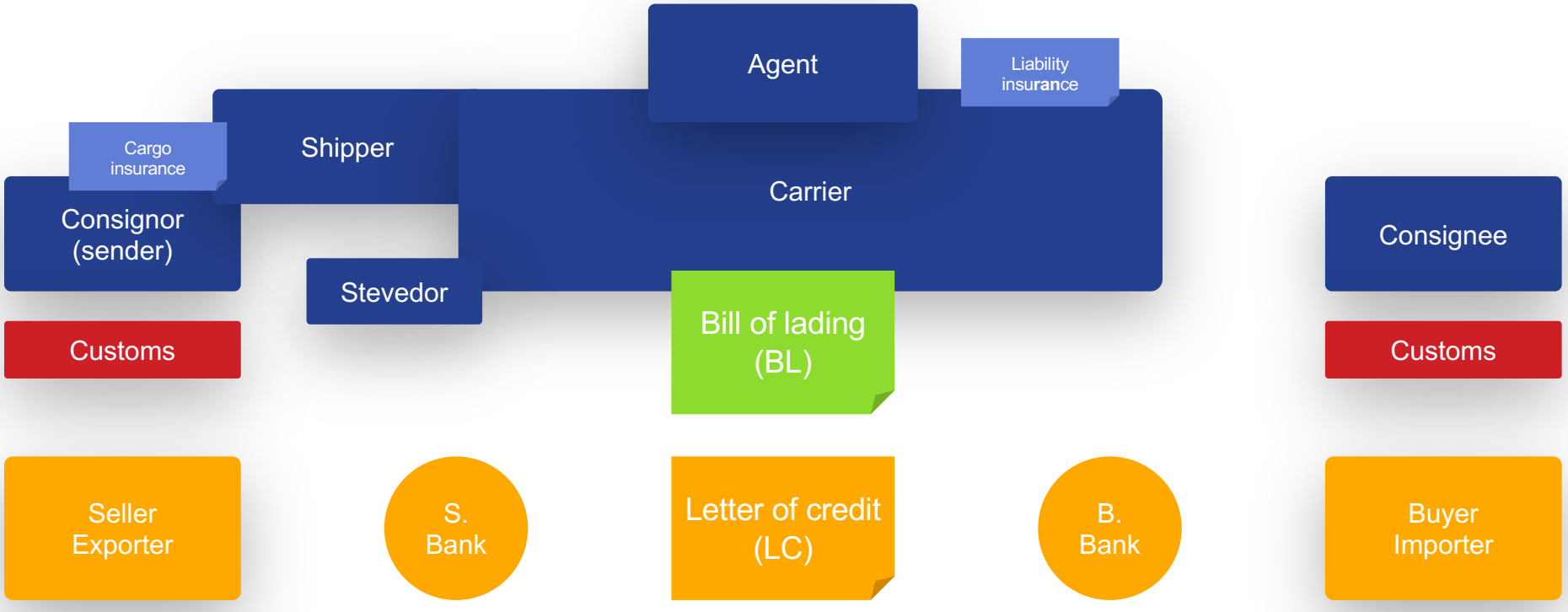
Decentralised

Censorship &
hack resistant

Legal Challenges

- There are different players from different background that use the bill of lading and all have to agree to dematerialized BL.
- Question: who is entitled to demand the original (only the beneficiary of receiving of cargo and then the issuer upon the delivery of cargo).
- The functions of BL and different players in different contracts and legal relations.
- B2B:
  - parties of contract of carriage (issuer to shipper, shipper to next the beneficiary or of consignee),
  - Parties of contract of sale (seller to bank for LC),
  - Shipper or seller to insurance company.
- B2A:
  - Exporter or importer to customs office

Participants in the contract of carriage of goods



Legal Challenges

- CargoX is an owner of the website, which interacts with a decentralized blockchain platform, that is made available to users.
- It is a digital courier service for the fast and secure transfer of the Bill of Lading and other documents between the originating user (shipper/carrier) and the subsequent users (shipper/original holder, endorsees/subsequent holders, pledgees & consignees).
- CargoX T&C constitute an agreement between users, and between each user and CargoX acting on its own behalf and on behalf of all other users from time to time,
- Parties agree that the electronic signature on the eBL shall have precisely the same force and affect as a manuscript or printed signature on a paper BL and that the eBL shall have precisely the same status and attributes as a paper BL.

Business Model

It is a prepaid system model.

Payment for the usage of CargoX Platform is in USD or EUR.

Usually, 15 USD per BL payable by the issuer of BL or there is pay to collect possibility (issuer has a possibility to forward payments to subsequent user with the "Pay to Collect" feature).

All subsequent transfers are free or charge.

Legal Challenges for Future

- Should the providers of eBL platforms ensure "Know your customer" (KYC) of the issuer of eBL?
- Is an eBL valid document?
- What should the holder of an eBL do if authorities in certain country do not accept eBLs?
- Interoperability of eBL providers?

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The Future

Blockchain Document Transfer

Blockchain Data Transfer