

FACTSHEET

TRADE TRUST: A TRUSTED GLOBAL NETWORK FOR DIGITALLY INTERCONNECTED TRADE DOCUMENTS

Background

International trade forms the backbone of Singapore's open and trade-friendly economy. Singapore's institutions, infrastructure, policies and services, are designed to encourage the free flow of goods, to ensure its status as a major trading hub. With the opportunities provided by new digital technologies, Singapore aims to work with various countries to accelerate digital innovation in global trade.

TradeTrust - Future-Ready Digital Infrastructure for Trade Documents

2 Working with various agencies and industry partners both locally and overseas, Singapore seeks to develop an interoperability framework, "TradeTrust", for the exchange of digital trade documentation. This will enable a more seamless and efficient flow of goods between digitally inter-connected trading partners. This framework aims to reduce inefficiencies and complexities of cross-border trade arising from the current usage of paper-based documentation, such as bills of lading. This lowers operating costs for businesses and the risk of fraud while accelerating the digitalisation of cross-border trade processes thereby facilitating more efficient trade.

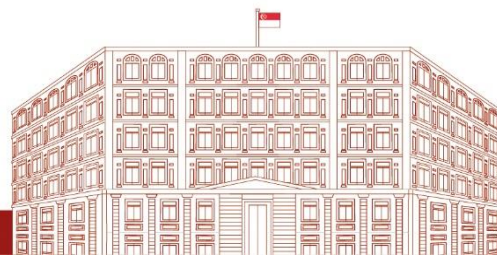
3 TradeTrust consists of a set of governance and legal frameworks, standards and a future-ready digital infrastructure, to facilitate the interoperability of electronic trade documents exchanged between different digital ecosystems. This is supported by the use of distributed ledger technology (DLT) to provide participants with proof of authenticity and provenance for these documents. The technical infrastructure will be hosted on the Networked Trade Platform (NTP) as a value-added service (VAS) to enable the exchange of electronic trade documents.

Benefits of TradeTrust

4 TradeTrust can bring about the following benefits to the trade and logistics community:

(a) Increased efficiencies through certainty

- TradeTrust can reduce the risk of receiving fake documents/information as sources are intended to be accredited. This would remove the need for repetitive checks by



the various trade ecosystem parties to ascertain the legitimacy of the documents/information received.

(b) Reduced costs of documentation

- TradeTrust can help the trade industry to progress towards digitising certain documents which are handled in paper form today. This would eliminate costs associated with printing, handling and transportation of typically hundreds of pages amongst numerous parties. This will significantly reduce the costs of shipping¹.

(c) Support for new service offerings

- Conventional digitalisation efforts have given rise to increasingly fragmented digital ecosystems consisting of silo groups of trade ecosystem parties. TradeTrust works with the current ecosystem to enable various enterprise and platform systems to effectively inter-operate. Coupled with enabling the legal validity of certain electronic trade documents, this can facilitate the creation of new service offerings.

TradeTrust Development Starting with Maritime Trade Industry

5 IMDA will partner the Maritime Port Authority (MPA) to lead TradeTrust development for electronic Bills of Lading (eBL), with support from Singapore Customs and the Singapore Shipping Association (SSA). Through close cooperation between government and industry, the initiative will focus on developing the TradeTrust digital infrastructure, promoting the digitalisation of Bills of Lading and conducting technical trials to demonstrate the interoperability of eBLs across different digital ecosystems.

6 In January 2019, all four parties signed a Memorandum of Understanding to affirm their support for the initiative. IMDA will also be organising industry consultation workgroups with key stakeholders from the maritime trade, logistics and finance sectors to seek feedback on the initiative. IMDA will also subsequently issue a Request for Proposal to invite the industry to submit proposals on the technical implementation of the TradeTrust infrastructure.

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¹ Trade document processing and administration is estimated to add 20% to the physical cost of shipping a single container.

<https://www.ibm.com/blogs/blockchain/2018/04/enterprise-ready-blockchain-brings-transparency-to-supply-chains/>

