

SATP Use-Case: Supply Chain Logistics & Trade Finance

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Background: Global Trade Highly Inefficient

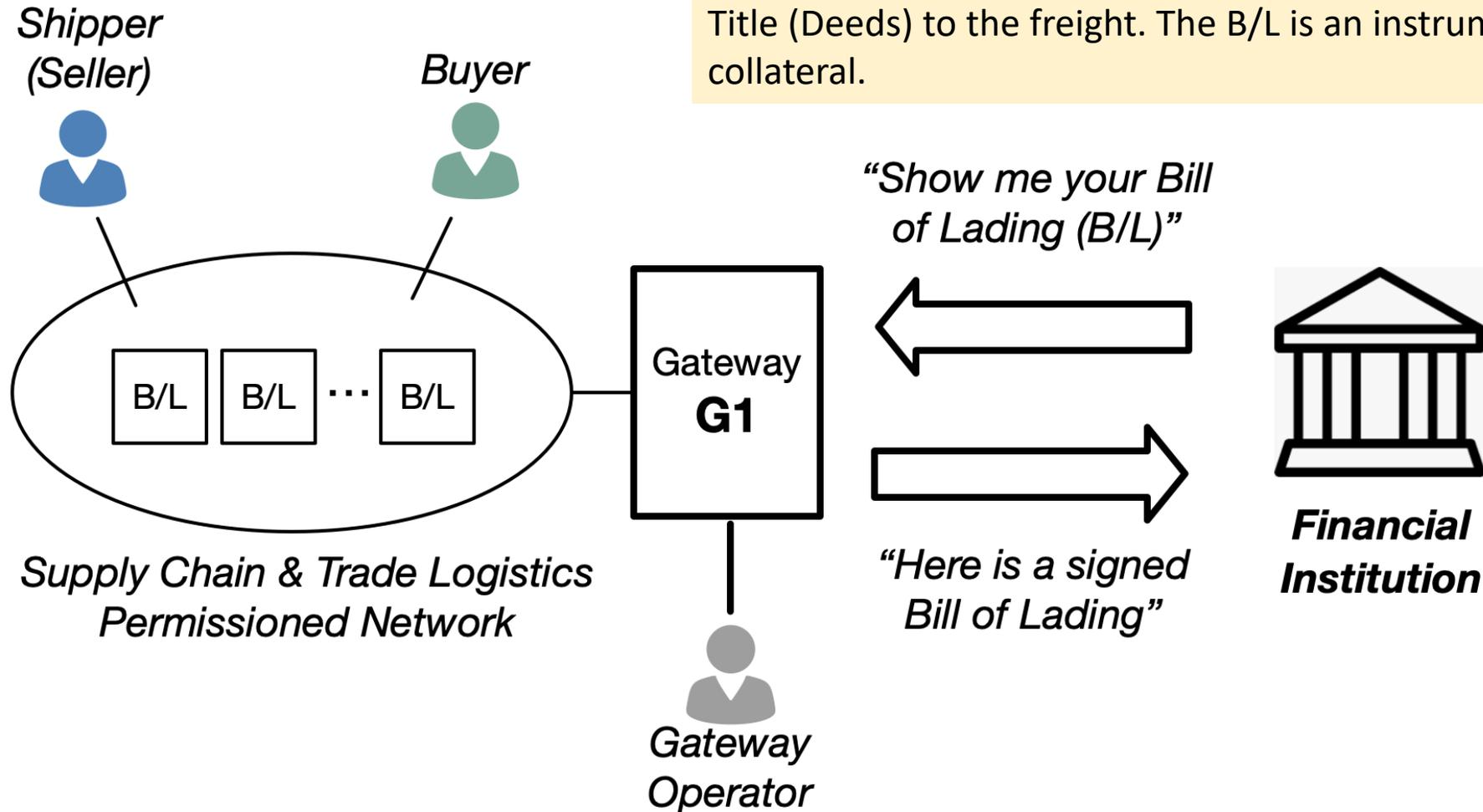
- Paper-based processes (manual, time-consuming)
- Clearance takes too long & exposed to fraud
- High costs to Shippers/Sellers and Buyers
- Little ability to forecast supply chain disruptions in near real-time
- Unable share correct (trustworthy) information across the supply chain

Share trustworthy information over the Internet

- Buyer & Shipper (Seller) utilize a permissioned & private network carrying the Bill of Lading (B/L)
- Buyer needs short term loan from a Financial Institution in order to pay the Shipper/Seller
- The Financial Institution need the B/L as collateral, but it cannot see into the permissioned network
- The Bill of Lading data must be reported by the Gateway Operator as a neutral service provider

SATP Asset-Related Data Sharing Flow

The Buyer requires short-term loan from the Financial Institution to pay Seller/Shipper. The Bill of Lading (B/L) is the Title (Deeds) to the freight. The B/L is an instrument of loan collateral.

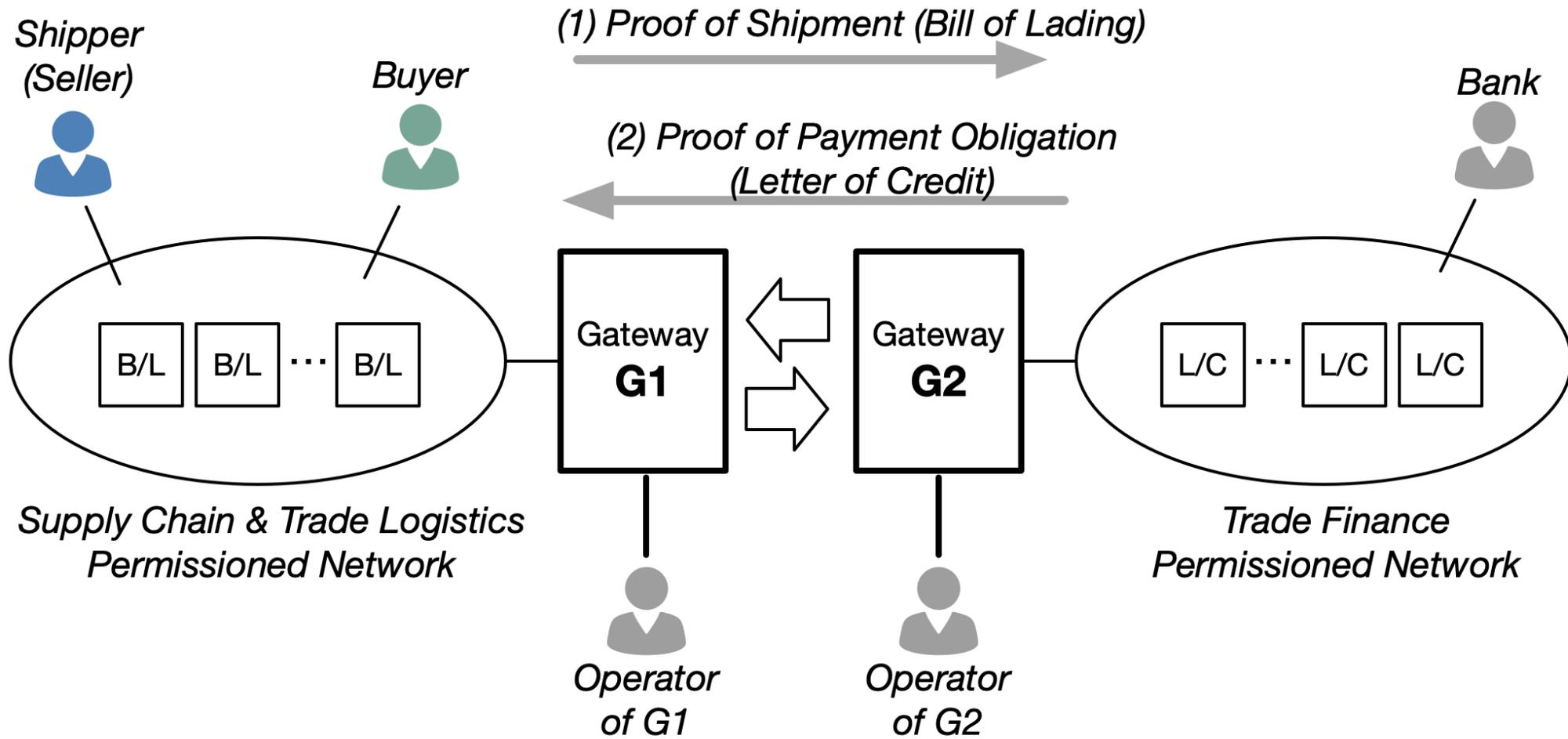


Beyond Notarization

- Gateway is not a notary
- Notaries
 - Witness the existence of a (paper) document & signature
 - Not required to understand the semantics of contracts
 - No liabilities for contents of documents/contracts
- Gateway operators in SATP
 - Attest to the truthfulness of contents of B/L and L/C
 - May take-on legal & financial liabilities

SATP Asset-Related Data Sharing Flow

The Letter of Credit (L/C) is a guarantee of payment based on the Bill of Lading (B/L)



Other Types of Data in Supply Chains & Trade

- Sea Waybill
- Commercial Invoice
- Packing List
- Booking Request
- Booking Confirmation
- Shipping Instructions
- Export Declaration
- Pro-Forma Invoice
- Arrival Notice
- Import Declaration
- Health Certificate
- Phytosanitary Certificate
- Veterinary Certificate
- Fumigation Certificate
- Inspection Certificate
- Certificate of Analysis
- Certificate of Origin
- Dangerous Goods Declaration

Global Entities in Ecosystem

- Ocean Carriers
- Government Authorities
- Financial Services
- Port operators
- Intermodal Operators (Planners)
- Shippers
- Freight Forwarders

References

- List of global Ocean Carriers, Government, Port Operators: <https://www.tradelens.com/network>
- *Building a Transparent Supply Chain*, by Vishal Gaur and Abhinav Gaiha, Harvard Business Review, May–June 2020.
- *Supply Chain Finance and Blockchain Technology*, by Hofmann, Strewe, Bosia. Springer 2018.