



International
Centre for Digital
Trade and Innovation

#SayNoToPaper

Guide to digitalising trade transactions

Taking the first step

Seize the moment

- Improve cash control
- Establish an audit trail
- Reduce cost and risk
- Improve efficiency
- Increase profitability



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It's time to say no to paper in trade and make trade cheaper, faster, simpler, secure and sustainable. Companies that trade internationally grow faster and are more resilient than companies that do not. However, unnecessary paper and bureaucracy remains a real barrier to trading overseas, especially for small companies.

Whilst much progress has been made to digitalise customs paperwork, little progress has been made in digitalising transactional paperwork, the documents associated with the transfer of possession and ownership of goods. This includes airway bills, bills of exchange, bills of lading, cargo insurance certificates, marine insurance policies, promissory notes, seaway bills, ships delivery orders and warehouse receipts. These documents are sometimes referred to as documents of title or electronic transferable records.

This all changed with the Electronic Trade Documents Act 2023 (ETDA) which removed the final legal barrier to all trade documents being digitalised and paper being removed from the trade system. The new law has cut the average trade transaction time from 2–3 months to 1 hour, transaction costs and border processing times have been reduced by 80% and shipping costs reduced by 20%.

Internationally, the new law has enabled 80% of bills of lading and 60% of trade finance to be digitalised. The UK are not alone in modernising laws. English, Singapore and US laws all now recognise transactional documents in digital form covering 80–90% of all international trade transactions with all major economies committed to follow suit in the coming years.

For the first time, companies have a legal environment that enables them to remove paper from all transaction processes. This guide is designed to help more companies benefit from the changes in law.

Chris Southworth
Secretary General, ICC United Kingdom

The EDTA has delivered

15%
increase in SME
profitability

40%
reduction in cargo
shipment time

1 hour
transaction time
— down from 2–3
month average

30%
reduction in
operation cost

100%
increase in
trade flow

18%
reduction in
shipping costs

80%
reduction in border
processing times

75%
reduction in freight
forwarding costs

80%
reduction in
transaction costs

67%
Increase in
workforce
productivity

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Who is this guide for?

This guide is for buyers and sellers of all sizes and sectors who want to take the first step to realising the full range of benefits from the change in law but specifically aimed at:

- ✓ Finance directors
- ✓ Corporate treasurers
- ✓ Global supply chain managers
- ✓ Procurement managers
- ✓ Compliance managers
- ✓ Mid-size businesses with a turnover between £25m to £500m
- ✓ Companies seeking to improve liquidity and using or interested in using trade finance as a low risk, internationally recognised tool to finance trade operations

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We recommend getting started with using electronic bills of lading for shipping and electronic bills of exchange or promissory notes for finance is a good place to begin.

Electronic Bill of Lading

An electronic bill of lading (eBL) is a digital version of the traditional paper bill of lading used in the shipping industry. The bill of lading is a crucial document in international trade that serves several key functions:

Receipt of goods: It acts as a receipt issued by a carrier to a shipper, confirming the goods have been received and are ready for shipment.

Title of goods: The bill of lading serves as a document of title, meaning it can be used to transfer ownership of the goods while they are in transit.

Contract of carriage: It outlines the terms and conditions under which the goods are transported from the origin to the destination.

Advantages of Electronic Bills of Lading

The electronic bill of lading (eBL) offers several advantages over its paper counterpart:

Speed: eBLs can be transmitted instantaneously between parties, reducing the time needed to complete transactions and facilitate the movement of goods. This speed is particularly important in industries like coffee, where freshness is crucial.

Cost-effective: By eliminating the need for physical document handling, storage, and courier services, eBLs reduce costs associated with paper documentation.

Security and accuracy: Digital documents reduce the risk of loss, theft, or damage and can be protected with encryption and digital signatures, ensuring the authenticity and integrity of the information.

Efficiency: Automated processing of eBLs reduces administrative burdens, minimizes errors, and streamlines workflow processes. This efficiency can lead to faster customs clearance and fewer delays.

Sustainability: By reducing paper usage, eBLs contribute to more environmentally friendly shipping practices, aligning with global sustainability efforts.

Traceability: Digital records provide an audit trail that enhances the traceability of transactions, which can be useful for dispute resolution and compliance.

Electronic Bill of Exchange

An electronic bill of exchange is a digital version of the traditional bill of exchange, which is a financial instrument used in international trade and finance. A bill of exchange is a written, unconditional order by one party (the drawer) directing another party (the drawee) to pay a specified sum of money to a third party (the payee) at a predetermined future date or on demand.

Key features of an Electronic Bill of Exchange

Digital format: Unlike the traditional paper-based bill of exchange, an electronic bill of exchange exists in a digital format, allowing for electronic creation, transfer, and storage.

Legally binding: Like its paper counterpart, an electronic bill of exchange is legally binding and serves as a promise to pay the specified amount.

Streamlined processing: The digital format facilitates faster and more efficient processing, as it can be easily transmitted and processed electronically, reducing the time and costs associated with handling paper documents.

Security: Electronic bills of exchange can incorporate digital signatures and encryption to ensure security and authenticity, reducing the risk of fraud and errors.

Traceability: Digital records provide an audit trail, making it easier to track transactions and verify the authenticity of the document.

Benefits of Electronic Bills of Exchange

Efficiency: Electronic bills of exchange eliminate the need for physical document handling, speeding up transactions and reducing administrative burdens.

Cost savings: By reducing the reliance on paper, companies save on printing, storage, and courier costs.

Accessibility: Electronic documents can be accessed and processed from anywhere, facilitating international trade and collaboration among parties in different locations.

Reduced risk: Digital security features help mitigate the risk of document loss, theft, or forgery, providing greater confidence in the transaction process.

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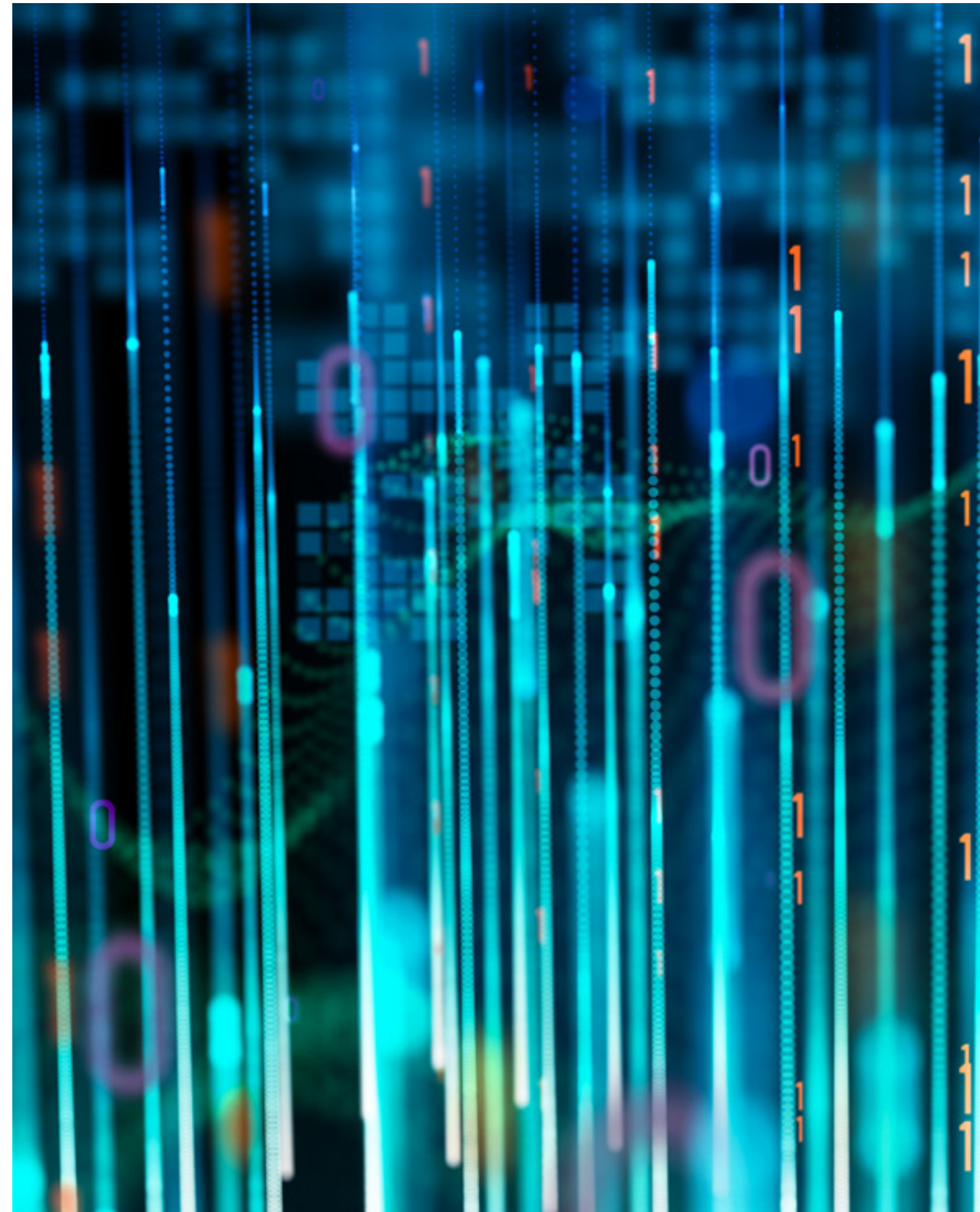
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Electronic Promissory Note

An electronic promissory note is a digital version of a traditional promissory note, which is a financial instrument that represents a written promise by one party (the maker or issuer) to pay a specified sum of money to another party (the payee) at a predetermined future date or on demand. The electronic version of this document is created, signed, and managed using digital technologies.

Key features of an Electronic Promissory Note

Digital format: Unlike paper promissory notes, electronic promissory notes are created and stored digitally, allowing for easier handling and processing.

Legally binding: An electronic promissory note is a legally enforceable document that carries the same legal weight as a traditional promissory note, provided it meets legal requirements for digital documents and electronic signatures.

Digital signature: It typically incorporates electronic signatures, which are used to authenticate the document and verify the identity of the parties involved, ensuring the note's validity and integrity.

Automated processes: Electronic promissory notes can be integrated into digital platforms for automated processing, tracking, and management, facilitating streamlined operations.

Traceability: Digital records enhance traceability, making it easier to monitor and audit transactions involving the note.

Benefits of Electronic Promissory Notes

Efficiency: Electronic promissory notes reduce the need for physical document handling, making transactions faster and more efficient. They can be easily shared, signed, and processed online.

Cost savings: By eliminating the costs associated with printing, storing, and transporting paper documents, electronic notes can lead to significant cost savings.

Security: Enhanced security features, such as encryption and digital signatures, help protect against fraud and unauthorized alterations, increasing trust in the transaction.

Accessibility: Electronic promissory notes can be accessed and managed from anywhere with an internet connection, facilitating remote transactions and collaboration.

Sustainability: Reducing the reliance on paper supports environmental sustainability by decreasing paper waste and carbon emissions associated with physical document handling.

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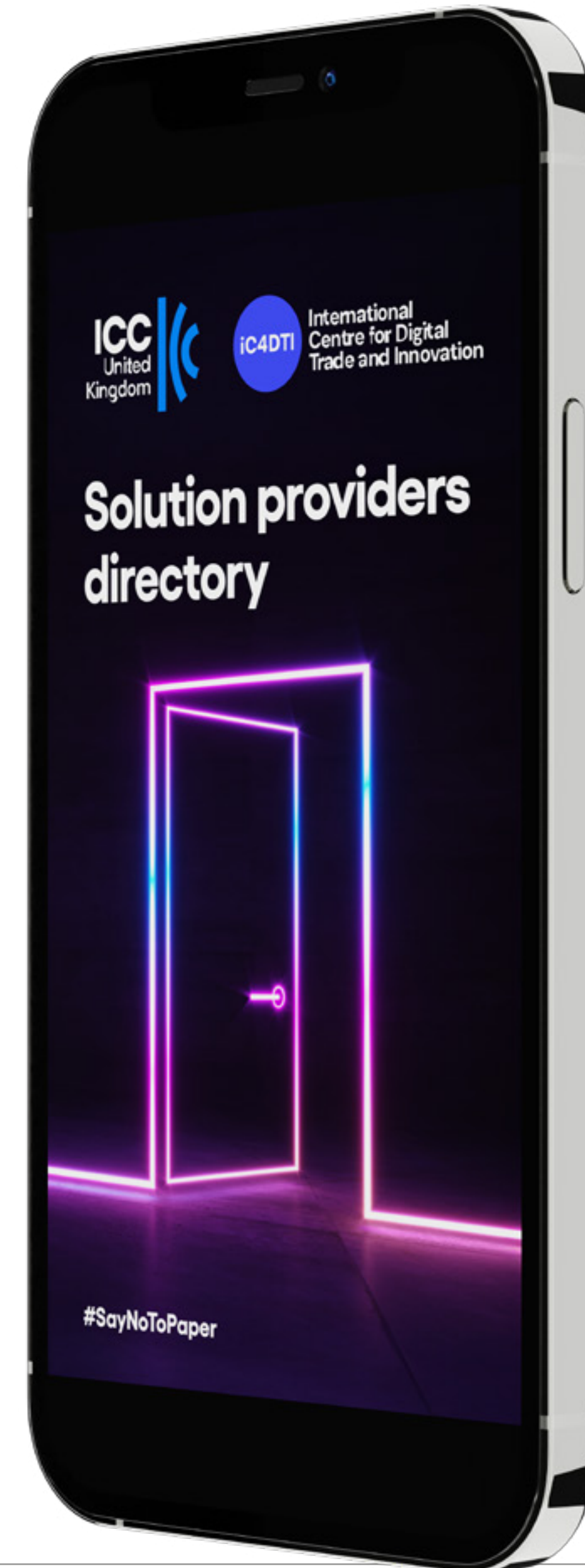
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To begin with, we recommend keeping it simple and to start familiarising yourself with existing solution providers with proven track records in handling electronic bills of lading, bills of exchange and promissory notes. These can be found in the *Solution providers directory* below.

Solution providers directory

Solution providers listed in the directory work with ICC United Kingdom, the International Centre for Digital Trade and Innovation and are approved to work with international banks, marine insurance firms and shipping companies.

[ic4dti.org](https://www.ic4dti.org)



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Tips



Consult suppliers

Work with your supply chain
to develop practical solutions



Identify paper- heavy processes

Replace these with
e-transactions and data-
driven processes



Speak to approved solution providers

Work with approved solution
providers committed
to promoting open,
interoperable systems

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Finance

- ✔ Improved cash control and management
- ✔ Improved audit and reporting
- ✔ Reduced risk
- ✔ Access to short-term working capital
- ✔ Security of payment
- ✔ Speed of execution
- ✔ Improved liquidity
- ✔ Better access to finance



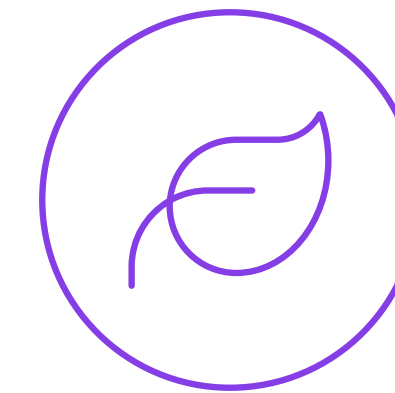
Compliance

- ✔ Reduced fraud, regulatory risk
- ✔ Reduced risk of loss, theft, or forgery associated with paper documents
- ✔ Speedier company authentication and verification times
- ✔ Greater transparency and improved supply chain relationships
- ✔ Reduced cost of meeting regulatory requirements
- ✔ Real-time monitoring and decision-making



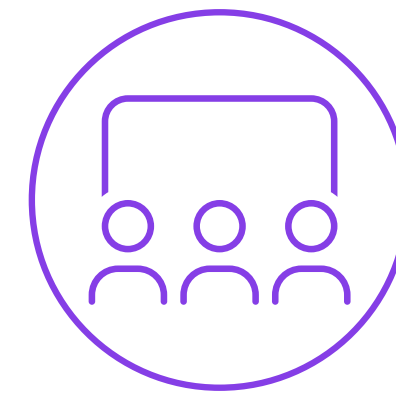
Efficiency

- ✔ Reduced administrative cost
- ✔ Reduced waiting times, border checks and faster crossover the border processes
- ✔ Eliminating courier-related delays and printing processes
- ✔ Reduced delays and exposure to disruption
- ✔ Reduced intermediary costs — insurance, brokerage, demurrage fees
- ✔ Addressing bottlenecks
- ✔ Smarter resource allocation
- ✔ Increased security, enhanced trust and reliability



Sustainability

- ✔ Greater supply chain transparency
- ✔ Improved consumer confidence and supply chain relationships
- ✔ Standardised data sharing and integration opportunities
- ✔ More accurate and cheaper supply chain reporting
- ✔ Reduced ESG risk
- ✔ Enhanced operational resilience, mitigating vulnerabilities to external disruption
- ✔ Less waste and reduced use of paper



Workplace

- ✔ More attractive work environment
- ✔ Modern, technology-driven systems
- ✔ Ability to retain and attract high-calibre talent
- ✔ Improved competitiveness

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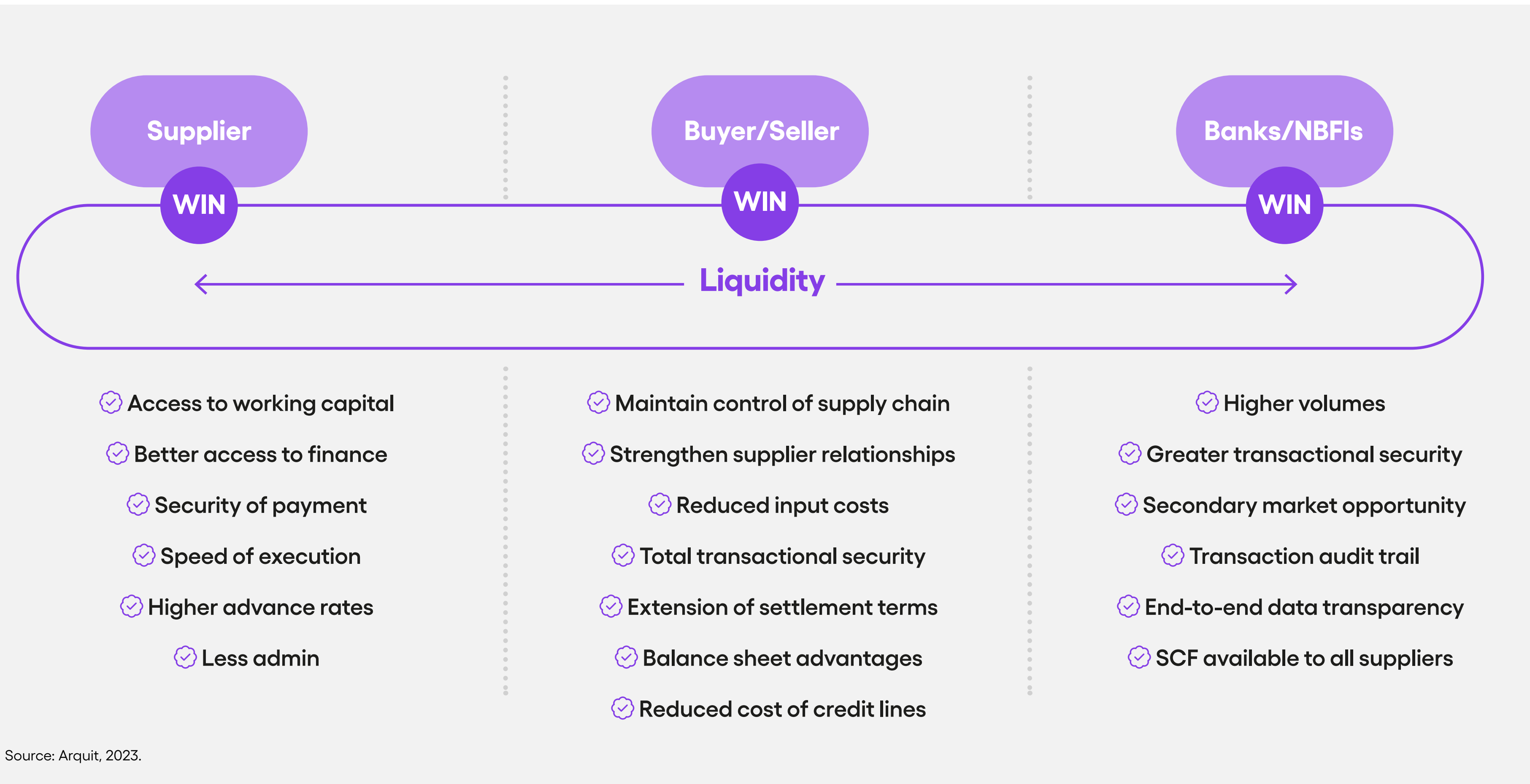
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Source: Arqit, 2023.

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ICC United Kingdom is the representative office of the International Chamber of Commerce (ICC) in the UK. Our role is to ensure that UK trade policies and systems are aligned to international best practice, UK based companies have a seat at the table to shape global rules and work with government and industry to develop practical solutions to improving the trading environment. ICC United Kingdom co-Chair/host three forums to help companies scale initiatives; Trade Digitalisation Taskforce, Corporate Digitalisation Taskforce, Solution Providers Working Group.

The International Chamber of Commerce (ICC) is the largest world business organisation, representing 45 million companies of all sizes and sectors, employing 1 billion people across 170 countries. We are specialists in trade, G20 Network Partner, strategic partner to the World Trade Organization and the international focal point for coordinating the digitalisation of world trade through the ICC Digital Standards Initiative. ICC is an advocate for open, cross border trade, a global rule maker and standard setter with \$25 trillion of global trade governed under ICC rules and play a leading role in helping States and companies settle international disputes through the ICC International Court of Arbitration.

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iC4DTI is a global, industry-led initiative designed to support governments, institutions and companies in accelerating the digitalisation of trade and ensure all economies and companies benefit. We are practitioners, not consultants, and setup as a not for profit, community interest company working for the benefit of the trading system. iC4DTI is committed to support the work of the International Chamber of Commerce, UNESCAP, UNCITRAL and World Trade Organization with a specific focus on implementation. We are agnostic to technology and advocate for open, interoperable systems (laws, rules, standards).

The team at iC4DTI has played a leading role on the ICC Digital Standards Initiative Legal Reform Advisory Board, The Commonwealth Legal Reform and Digitalisation programme, UK/Singapore Digital Economy Agreement and helping secure the G7 and Commonwealth ministerial commitments to remove legal barriers to digitalise world trade. They also helped instigate the Electronic Trade Documents Act, enabling 60% of global trade finance, 80% of bills of lading and the marine, insurance and shipping industries to digitalise trade.

ic4dti.org



ICC is the world's largest business organisation representing 45 million companies with 1 billion employees in over 170 countries.

The International Chamber of Commerce is the only business organization with UN Observer Status and acts as a leading voice for business at the UN, G7, G20, World Trade Organization and other major international institutions. ICC United Kingdom is the representative voice for ICC in the UK and provides a mechanism for UK industry to engage effectively in shaping international policy, standards and rules. We are the leading voice on digital trade ecosystems and Co-Chair the B2B Cluster for the Commonwealth Connectivity Agenda.

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