



eBL for Ocean Carriers:

The Rising Importance of Adopting eServices for the Digital Future



IQAX.com | info@iqax.com



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While traditional bills of lading work today, purely digital eBLs can offer your shipper and NVOCC customers benefits of more transparency and cost savings. Shippers want eBLs, countries are adopting it, and insurance is ready. The eBL is poised for takeoff.

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Shippers Are Driving the Need for Online Services

The global pandemic that began in 2020 revealed that shippers' transportation management teams can largely operate from home. Logistics teams within retail companies, manufacturers, and chemical companies moved their PCs home and resumed their schedule searches, bookings, documentation, and even contract negotiations through carrier websites, transportation management systems, and video conferencing. Shipment planning and execution smoothly migrated from the office to disparate locations, proving that it can be done nearly anywhere, anytime.

Digital shipment management is here, and shippers expect the digital experience to further permeate their business processes so that they can save time, effort, paper and emissions to deliver cargo to their customers. Once reluctant to use online tools and preferring to pick up the phone to make a booking, shippers see the cost savings and convenience of managing their shipments online. Shippers' and NVOCCs' global teams, remote work, and contactless transactions are driving them to seek more online services for the flexibility and cost savings to manage shipments today.

While booking requests, shipping instructions, and customs documentation can be processed online, the bill of lading (B/L) is one of the last frontiers to be fully digitized. Dependent on all parties involved with the B/L to agree that the digital document is legally binding, it still largely needs to be printed on carrier stationery and couriered and transferred to cargo owners throughout the cargo journey. With paper B/Ls, shippers and NVOCCs incur costs to print and courier documents, it adds time to the cargo release process, and with more parties touching the document, fraud can happen along the way.

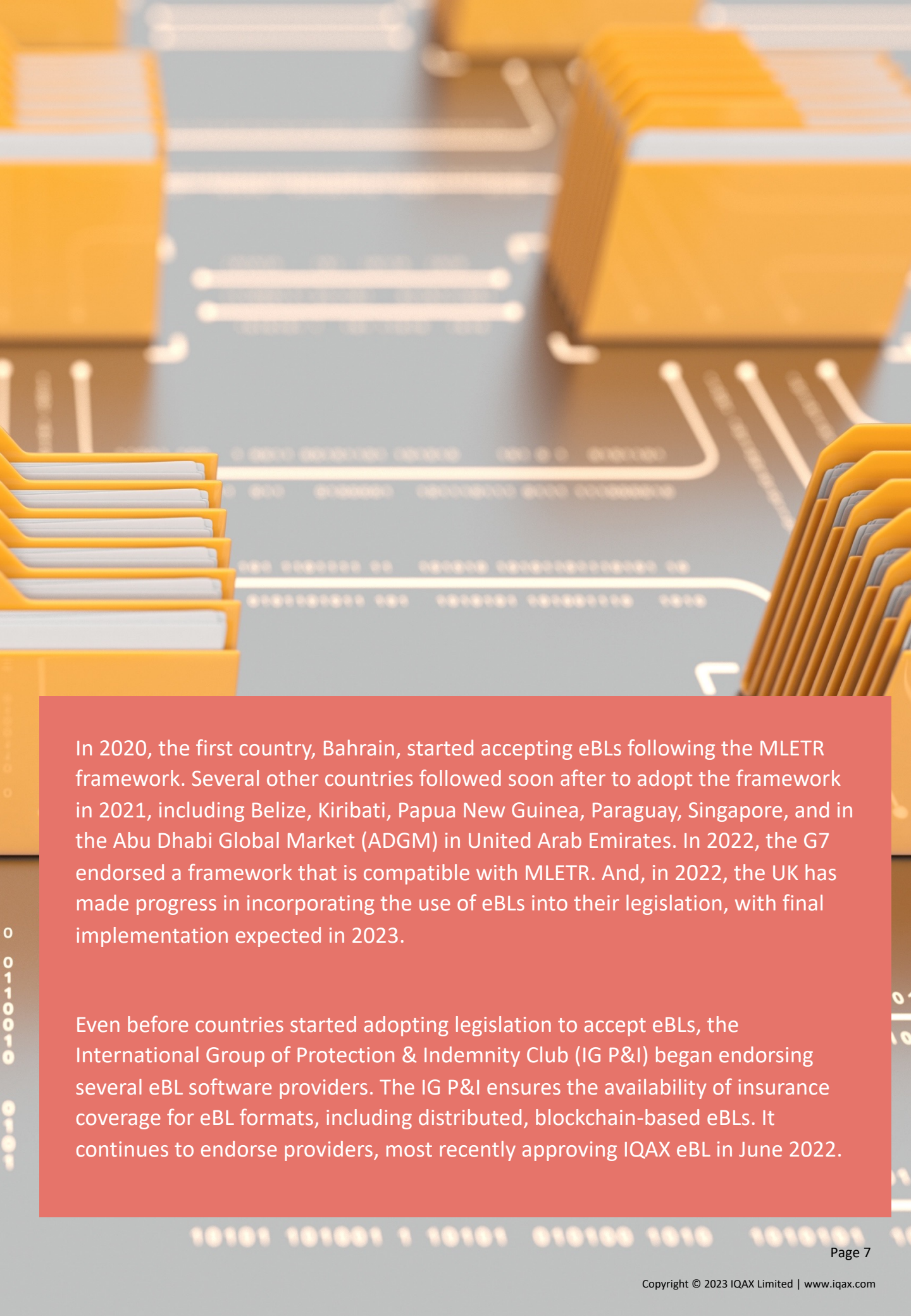
Ocean carriers have an opportunity to fully digitize their B/L process so that their shipper and NVOCC customers can experience paperless and contactless transactions that improve transparency, efficiencies, and cost savings for the shipping ecosystem.



eBL Adoption Is Gaining Momentum

As shippers are eager to adopt purely digital B/Ls, the industry is poised for rapid growth. While the technology is in place to support electronic bills of lading (eBLs) and shipment parties are ready to adopt it, countries need to recognize the documents and insurance companies must be willing to provide insurance.

In order for eBLs to be fully utilized, countries need to adopt legislation to accept them for global trade within their country's jurisdiction. In 2017, the United Nations Commission on International Trade Law (UNCITRAL) adopted the Model Law on Electronic Transferable Records (MLETR). MLETR provides a framework for countries to allow the use of transferable documents and instruments in electronic form, including bills of lading.



In 2020, the first country, Bahrain, started accepting eBLs following the MLETR framework. Several other countries followed soon after to adopt the framework in 2021, including Belize, Kiribati, Papua New Guinea, Paraguay, Singapore, and in the Abu Dhabi Global Market (ADGM) in United Arab Emirates. In 2022, the G7 endorsed a framework that is compatible with MLETR. And, in 2022, the UK has made progress in incorporating the use of eBLs into their legislation, with final implementation expected in 2023.

Even before countries started adopting legislation to accept eBLs, the International Group of Protection & Indemnity Club (IG P&I) began endorsing several eBL software providers. The IG P&I ensures the availability of insurance coverage for eBL formats, including distributed, blockchain-based eBLs. It continues to endorse providers, most recently approving IQAX eBL in June 2022.

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With customers, country adoption, and insurance coverage ready for eBLs, do you have a solution in place? An eBL solution offers carriers and their customers transparency and cost savings. Be ready to serve customers with eBL.

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Digitally Transform to Increase Customer Satisfaction and Save Costs

Providing eBLs to shippers and NVOCCs allows ocean carriers to accelerate their digital transformation. By fully digitizing the B/L process, you will be offering your customers a premium service that allows them to save costs and experience a faster cargo release process. At the same time, carriers can elevate the service they provide to increase customer satisfaction and optimize their internal operations to save costs.

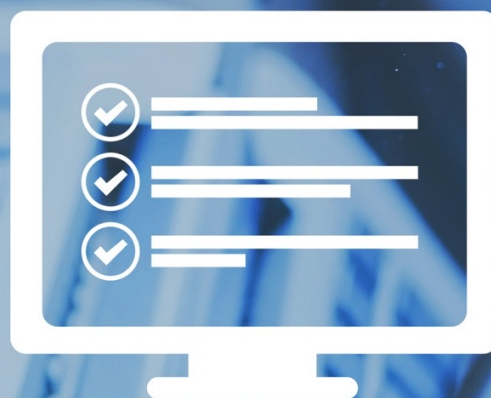
Carriers can directly extract benefits by implementing eBLs in the following ways:

Improve Service Quality

- Release cargo faster with instant access to the transferred title
- Refer to the same version of the current B/L with more transparent documentation visibility with all parties on the B/L

Improve Operations Efficiency

- Reduce the cost and environmental impact to provide carrier stationery for printed B/Ls
- Avoid tampered documents by using encrypted and authenticated B/Ls based on blockchain technology



Provide Your Customers Savings Throughout the Document Lifecycle with eBLs

From the shipper perspective, shippers have been using paper B/Ls for decades to transport goods. While it works, it requires couriers to move the physical documents, adds time to transfer the title to the goods, and impacts the environment with paper usage and requiring the physical documents to be transferred.

Carriers that offer purely digital B/L can deliver greater value for their shipper and NVOCC customers. Enabling eBLs allows shippers and NVOCCs to optimize processes, reduce the carbon footprint, and prevent lost or tampered documents as parties transfer documents in the supply chain.

In the event that an origin or destination country is not yet recognizing eBLs, your customers can convert an eBL to a paper B/L for printing, couriering, and clearing local customs authorities.

By offering eBLs, your customers gain the following values:

One-click instant title transfer to save costs

Transfer B/Ls securely and entirely online to save costs and operate more efficiently by removing courier costs, avoiding printing on paper, and reducing the risk of detention and demurrage charges due to delayed title transfers.

Faster surrender for delivery

Gain efficiencies with faster title transfer for cargo release by not having physical documents couriered.

Improved visibility with stakeholders

Track cargo movement details alongside the B/L transfer history within the application to enable a shared view among all parties.

Authenticated and secured original B/Ls

Blockchain-based eBLs offer access to a single source of truth with document authenticity and security. Records are immutable and traceable, preventing documents from being lost or tampered with.

Blockchain Advantages for B/Ls

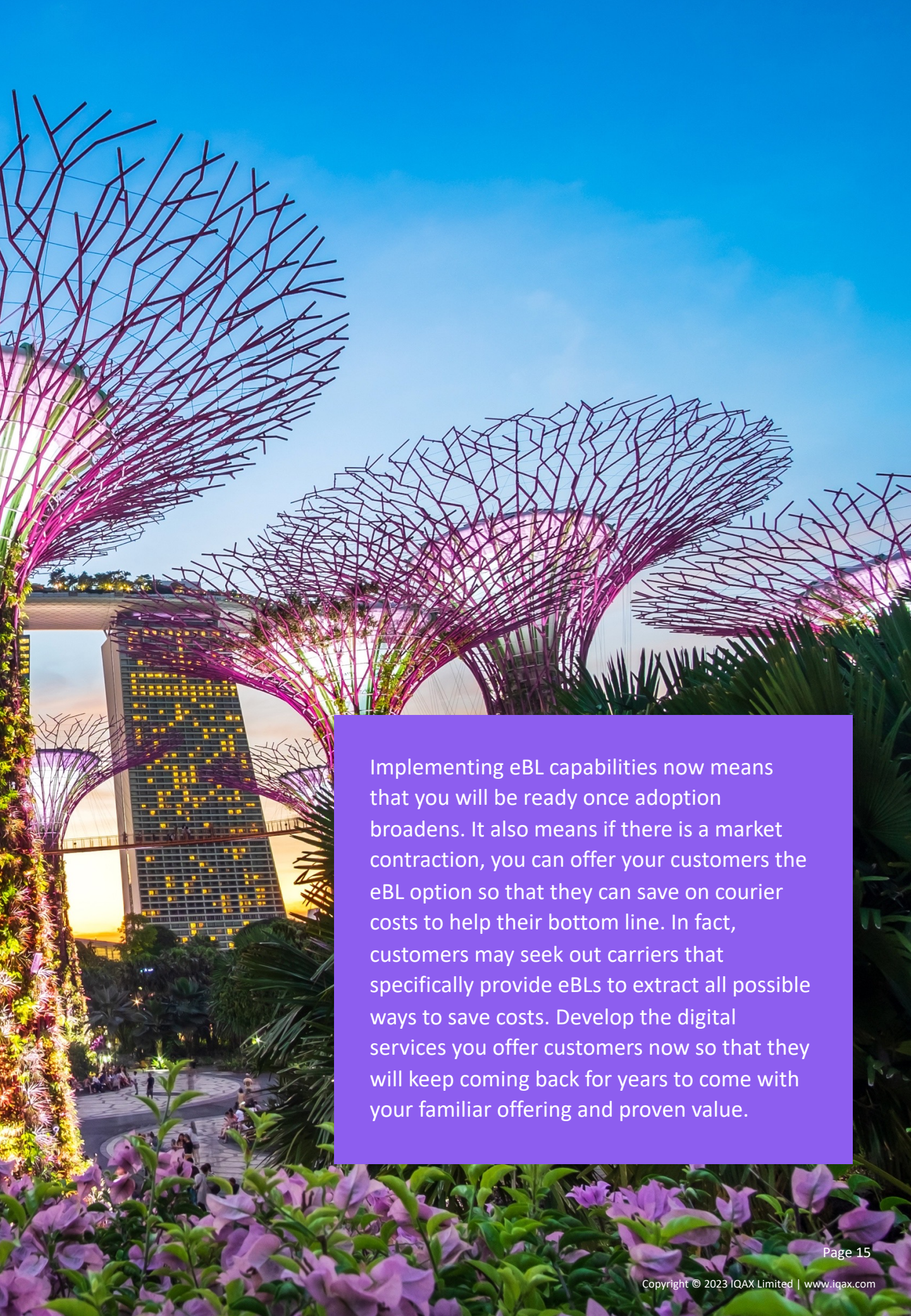
Not all eBL solutions are based on blockchain, a distributed ledger technology. Blockchain allows all authorized users to view the same instance of the B/L, rather than **having** it transmitted to each party in the supply chain. By viewing one encrypted version of the document, with access to the document's history, each party is viewing the same authenticated version which helps to prevent documents from being tampered with or mistakes to occur by referring to outdated versions of the documents.

Benefits	Paper B/L	Non-blockchain eBL	Blockchain eBL
Transfer B/Ls securely and entirely online to save costs and operate more efficiently by removing courier costs and avoiding printing on paper.		✓	✓
Gain efficiencies with faster title transfer for cargo release by not having physical documents couriered.		✓	✓
Track cargo movement details alongside the B/L transfer history within the application to enable a shared view among all parties.		✓	✓
Access a single source of truth with document authenticity and security. Records are immutable and traceable, preventing documents from being lost or tampered with.			✓

Stay Ahead of Your Customers' Needs

The second busiest port in the world, Singapore, accepts eBLs. Over the next year, we expect more countries, including the G7 member countries that are endorsing a framework that is compatible with MLETR, to begin approving eBLs.

Ocean carriers that have routes serving Singapore can start adopting eBLs immediately to integrate the technology and work with customers to adopt the new processes. While adopting a third-party eBL solution can be fast, take the time now to work with your customers on the new way to manage B/Ls.



Implementing eBL capabilities now means that you will be ready once adoption broadens. It also means if there is a market contraction, you can offer your customers the eBL option so that they can save on courier costs to help their bottom line. In fact, customers may seek out carriers that specifically provide eBLs to extract all possible ways to save costs. Develop the digital services you offer customers now so that they will keep coming back for years to come with your familiar offering and proven value.

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Carriers should consider the ease of adoption, integration with shipment details, the eBL ecosystem, and data neutrality when choosing an eBL solution.

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What to Look for in an eBL Solution

eBL solutions offer very similar features. They each offer a core foundation of title transfer, the ability to switch to paper, and the ability to request amendments. However, looking at the eBL solution as a whole of a greater system can make a difference in terms of ease of implementation, extended value, reliability, and security.

Once you are committed to offering eBLs for your customers, here are four factors to consider:

Build vs Buy

If you choose to develop eBL capabilities in-house, this requires valuable technical resources and knowledge to create a secure platform. Buying a ready-built solution provides a fast integration with an existing platform. Once integration is complete, you can start experiencing the benefits immediately and demonstrate to your customers your commitment to digital, paperless services.

Contextual Information

As a part of the larger shipment cycle, shippers want to not only know the status of their B/L, but the shipment status. Orchestrating B/L amendments and title transfers is intertwined with cutoff dates, vessel departures and vessel arrivals. Knowing the context around the B/L can help shippers save time looking up shipment status when the eBL solution offers a more wholistic view of documentation in the shipment cycle.

Network

A standalone eBL solution facilitates B/L transactions. However, an eBL solution that integrates with a broader shipping ecosystem can add more value. First, if customers are used to an existing eBL interface through a shipping platform, adoption may be faster with a solution that they know. Second, if your eBL solution is associated with a platform, and not only with an eBL provider, your solution and services may gain more awareness through the platform's network. Lastly, as more applications and data become available through the platform, you and your customers may benefit as interoperability grows.

Data Neutrality

Be sure to consider your solution's data privacy. The most secure platforms have an added layer of data security and privacy. Carrier transactions can have an extra layer of encryption so that only authorized parties have access to the data. Not only does blockchain offer a layer of immutability and privacy, your platform's database should be encrypted so that only the transaction's parties can see the data.

Use Case

Ocean carriers that offer eBLs to their customers are seen by their customers as digitally advanced and offering premium online services to manage their shipments. While their customers experience cost savings and efficiencies with eBLs, ocean carriers can save on stationery costs and release cargo more quickly.

Here is one example of how an ocean carrier's customer gains value:

A large BCO based in Europe ships from Rotterdam to Singapore. Before using eBL, this shipper would print B/Ls from their carrier's website and send the paper B/L through courier service. Ready to adopt an eBL solution, their ocean carrier helped to set them up with an eBL account.

Upon using the eBL solution, the shipper experienced benefits throughout the shipment process and transferred the eBL to the consignee with a simple click of a button. On the export side, the shipper found the tracking functions gave them assurance with the documentation progress. On the consignee side, the eBL practice expedited the time for their carrier to release their cargo.

After a successful implementation, the shipper was ready to adopt the easy-to-use eBL solution for as many shipments as is feasible to save more time.

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Start implementing an eBL solution to meet customers' needs on the cusp of countries accepting eBLs.

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Start Your eBL Journey

We expect more countries approving eBLs in the near future to support the digital transformation of traditional global trade practices. As eBL adoption starts to accelerate, start early to reap the benefits and show your customers your commitment to digital initiatives.

Leading the charge of eBLs based on blockchain and fully integrated with the GSBN blockchain platform for added security and reliability, IQAX's eBL solution enables the issuance, transfer, surrendering, and visibility of original B/Ls for contactless document management. IQAX eBL allows all shipment parties to manage B/Ls entirely online to save costs and operate more efficiently. Based on blockchain technology, IQAX's eBL platform provides a single source of truth for document authenticity, security and traceability.

To request a demo of IQAX eBL, please contact us at engagement@iqax.com.



About IQAX

IQAX is a global information technology company that provides intelligent and digital transformation solutions using blockchain for enterprises in the logistics ecosystem. Backed by a strong heritage in container shipping, IQAX strives to foster a harmonized and connected global trade environment. As an industry leader, IQAX connect with shippers, freight forwarders, carriers, terminals, and financial institutions, and empowers them with digitized solutions to meet emerging business challenges throughout the supply chain.



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