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TO ALL MEMBERS AND ASSUREDS

Dear Sir or Madam

Electronic (Paperless) Trading

This circular informs Members of the approval by the International Group of P&I Clubs (the Group) of the TradeLens eBL system.

Members may recall, as reported in the Association's Circular of 17 February 2020 that until February 2010 the Rules of all of the Group Clubs specifically excluded liabilities in respect of the carriage of cargo under all electronic, i.e. paperless, trading systems to the extent that the liabilities under such systems would not have arisen under a paper system i.e. one using transferable paper documentation.

Since 20 February 2010 liabilities arising in respect of the carriage of cargo under such paperless trading systems were covered, provided that the system had first been approved by the Group. Since then the Group has approved electronic i.e. paperless systems administered by Electronic Shipping Solutions (now known as essdocs), by Bolero International Ltd (more specifically the Rulebook/Operating procedures September 1999), E-Title, edoxOnline, CargoX, WAVE and from 24 March 2021 TradeLens has been added to the list of IG approved system providers.

TradeLens is a blockchain enabled digital supply chain system jointly developed by Maersk and IBM. The system provides a process for the issue, transfer and surrender of original bills of lading. Using blockchain technology, the TradeLens eBL is issued digitally by carriers to a shipper as a structured document. The issuance is recorded, and an identifier of the document is saved to the TradeLens blockchain. The shipper can view the issued eBL in the platform, and when ready, instantly transfer it. When the container shipment is ready to be received, the consignee can surrender back to the carrier for cargo release either digitally or where required revert to paper with carrier support. Further details can be found on www.tradelens.com/marketplace/tradelens-ebi

The legal documentation and terms of use associated with the use and operation of TradeLens is held in the TradeLens eBL Rulebook and Service Description dated 24 February 2021. That documentation has been reviewed and approved by the Group.

Other exclusions of cover under Group Club Rules relating to the carriage of cargo will of course continue to apply in respect of all the approved providers in the same way as for paper systems. These exclusions include discharge at a port or place other than the port or place provided for in the contract of carriage, the issue / creation of an ante or post-dated electronic document / record, and the delivery of cargo without the production of the negotiable electronic document / record, which in the case of an approved electronic trading system will mean delivery of cargo other than in accordance with the rules of that trading system.

It would be helpful to the Group, in monitoring the use and development of these systems, if Members who are using them would advise the Club of any benefits or difficulties which they encounter, legal or practical, in the operation of the system or systems.

All Clubs in the Group have issued a similar circular.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)