



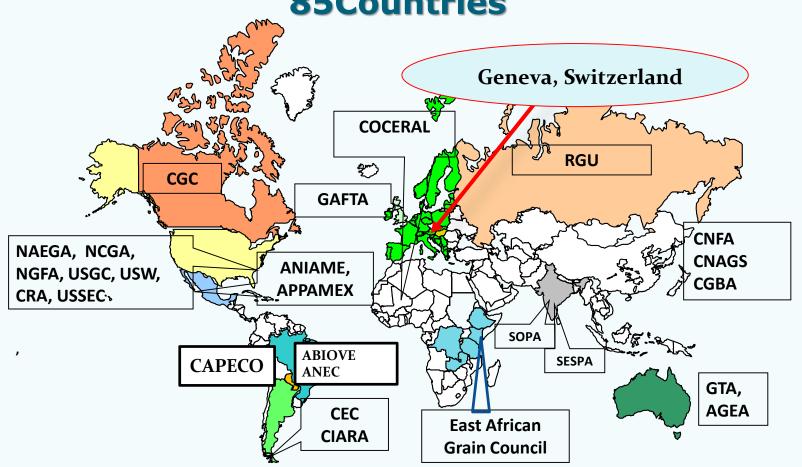
Electronic Documentation A Promising Innovation Opportunity

Luncheon Sponsors Message for IGC conference 14 June, London

International Grain Trade Coalition

www.igtcglobal.org • info@igtcglobal.org

IGTC - 25 Trade Associations 8000 Busineses/85Countries





The grain industry's challenge: to move commodities from areas of surplus to areas of deficit, provide for regulatory compliance, safety and cost efficiency

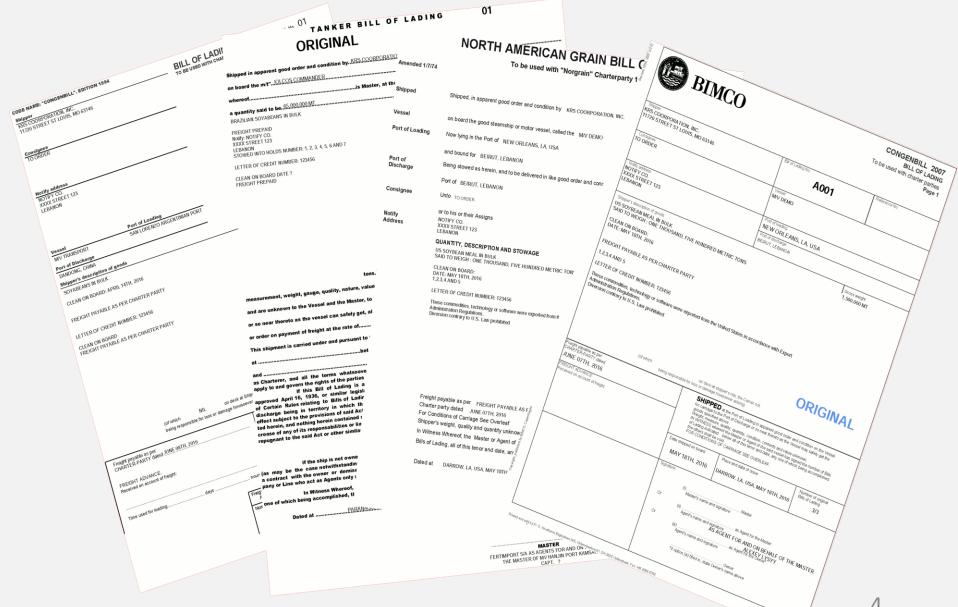




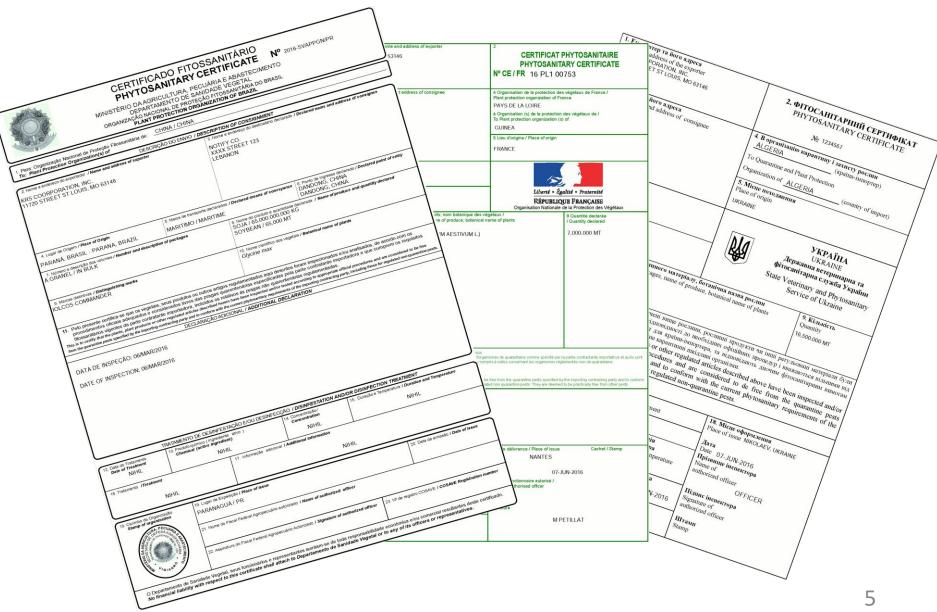
- High volume, Low cost, Timely, Predictable,
- Reliable, Responsive, Resilient and Fungible Supply

Constant Improvement and Innovation

Bill of Lading



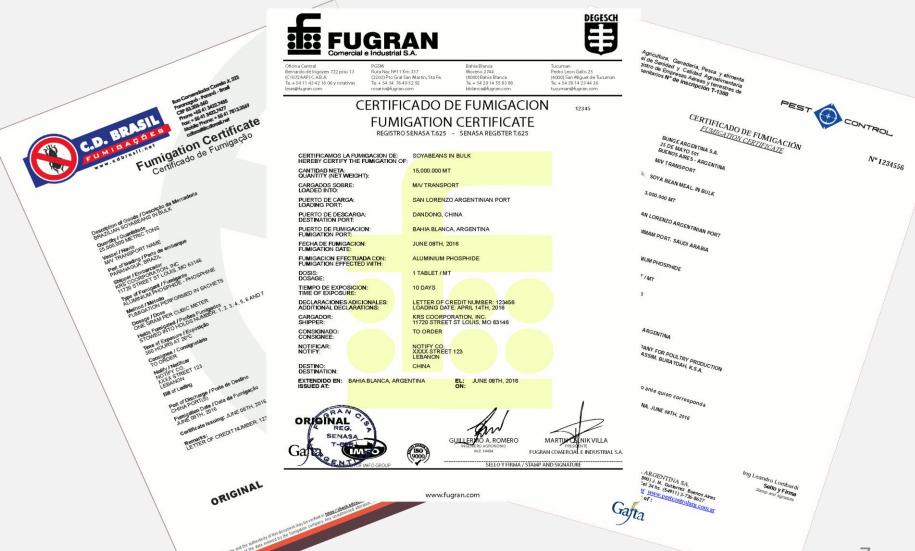
Official / Government Certifications



Certificates of Origin



Fumigation



SURVEYS and SUPERVISION





Documentation

Supply chain based on legacy paper-driven processes administered by multiple players. Examples:

- Commodity Contracts Multiple in-house systems
- Shipping Documents
 - Bills of Lading Vessel Owner/Agent
 - Certificates Quality/Quantity Supervision Companies
 - •Certificate of Origin Local chamber of commerce
 - Phytos Govt. Dept.
 - And list goes on

InformationTechnology available to Improve Performance. Only a portion of Document Data is captured electronically but there is a track record of successes. Limitations are sometimes institutional (Banking, Shipping, Regulatory) resulting in some reluctance to champion technology and support "paperless" transactions.



Commercial Values

Exporters	Importers	Banks
 Accelerated cycle time – end to end transaction completed in 2 days with working capital benefits Significant reduction in Letters of Indemnity No paper documents to process, manage, track, send and archive Reduced exposure to market movement and volatility Electronic bill of lading (eBL) have full legal title and originality status 	 Early arrival of electronic paperwork ensuring clean discharge of goods Visibility of transaction to help inventory planning Removal of need to use Letters of Indemnity to achieve discharge of goods No demurrage costs 	 New trade service to offer corporate customers Early receipt of presentation reducing pressure on checking for acceptance deadlines Removal of need to maintain a physical presence adjacent to clients, purely to support delivery of paper documentation? Ability to accept presentations outside of working hours

Carriers

- Removal of Letters of Indemnity
- Ability to support electronic bills of lading an increasingly common requirement from their customers
- No requirement to alter the production process of the bill of lading or change the systems it was generated on
- No fees to support their customer entirely free of charge for the carrier to use
- Simple adoption browser based so works at port and remote locations

Case Study: Electronic Bill of Lading and eUCP Bank Presentation

A typical shipment trade financed from Australia to China for a four-corner presentation in just four days:

- 1. Seller/carrier draft original eB/L online
- 2. Ship owner approves, signs and issues the original eB/L
- 3. Seller uploads additional docs (invoice, certificates, etc) online to create the "eSet"
- 4. Whole 'eSet' is endorsed by Seller and presented electronically to Negotiating Bank under an eUCP600 letter of credit
- 5. Negotiating Bank examines the eDocs accepts them and transfers to Issuing Bank electronically, after which,
- 6. Issuing Bank sends eSet to the Buyer
- 7. Buyer takes Title to the cargo with the original eB/L and either:
 - a. Electronically endorses and passes the Title of the eB/L + eDocs on to their Buyer
 - b. Surrenders the eB/L to carrier at destination and takes delivery of the cargo

DSO reduced from 15 to 4 days

Why Electronic documents and not Paper Docs

From a financing perspective, eB/Ls and/or BPO make a huge difference in shorter routes



Sailing Time from Port Hedland to Shanghai



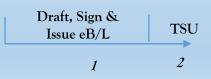
Draft, Sign & Issue eB/L	Courier to Bank	Bank Review	Courier to Bank	Bank Review	Courier to Buyer	
Elapsed Days:	3	5	E	8	9	//

eB/L + eUCP

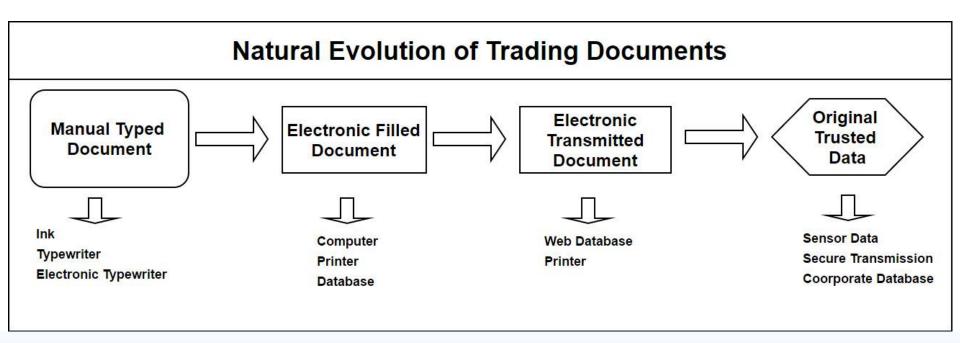


Assumptions: Docs are created, signed and issued to shipper in two days with paper and one with eDocs; all courier times are two business day and takes one day for each party to process documents.

BPO+



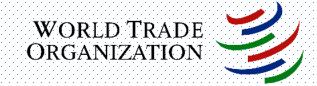
Also unrealistically assumes no mistakes, rejections of documents!



In the coming years we'll be seeing another high impact because of the so called IOT (Internet of the Things).

Trustworthy information, in real time, from consignments to different players' pcs and/or documents will be available for different purposes.

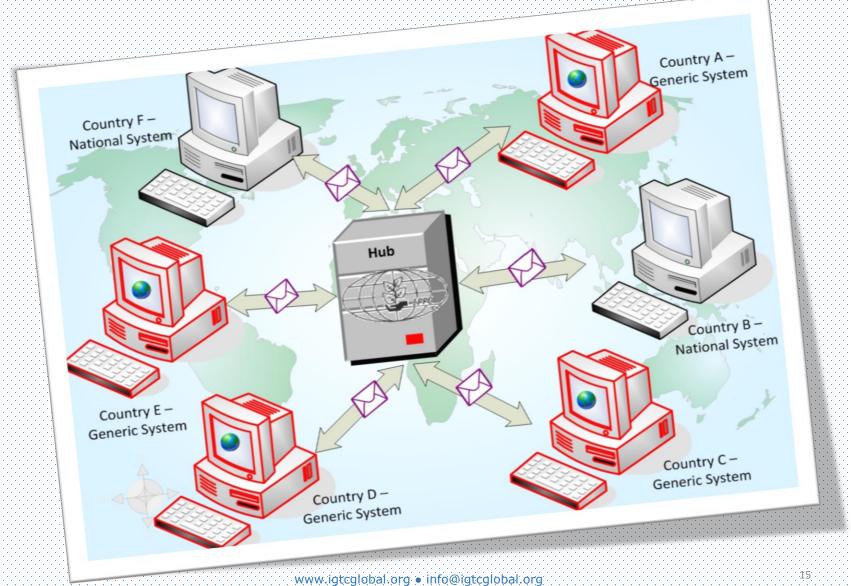




IPPC - WTO e-Phytos and a "Hub"

- Commitment to facilitate harmonized exchange of ePhytos.
- IGTC sits on "Industry Advisory Group" to provide guidance

The IPPC Hub and Generic system





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Thank You!

IGTC seeks Partnership with governmental bodies. Likewise we work with other international interest groups and academic institutions. Forprofit entities supporting IGTC are welcome to be identified as IGTC Corporate Stakeholders and help guide our work. Trade Associations and Councils working to support international trade of grains. oilseeds, pulses and other agri-bulks are welcome to apply for IGTC

