



SEPTEMBER 24, 2021

CIRCULAR NO. 21/21

TO MEMBERS OF THE ASSOCIATION

Dear Member:

PAPERLESS TRADING: ELECTRONIC TRADING SYSTEMS: UPDATE TO E-TITLE – CHANGE OF OWNERSHIP AND APPROVAL OF CORDA EBL AS REPLACEMENT OF E-TITLE

Members are referred to Circulars **18/19** of June 13, 2019 and **43/19** of December 24, 2019 which contained updates on International Group-approved paperless trading systems, including E-TITLE.

Notification of change in ownership of E-TITLE

As will be seen by reference to the Circulars referenced above, the International Group has previously approved E-TITLE. This Circular further updates Members as to:

- a change in ownership of the E-TITLE electronic trading system and its underlying legal framework to software technology firm, R3;
- a change in trading name of the E-TITLE electronic trading system to Corda eBL; and
- guidance, which Members may wish to note, on how the Corda eBL software will operate.

Corda eBL

Corda eBL is a software development kit (SDK), which provides a mechanism to facilitate the title transfer and negotiable functionalities of a bill of lading. It has been created to complement some of the existing web-portal services operated by shipping lines, financial services providers, logistic operators and traders.

The Corda eBL SDK is subject to a legal framework, supporting the peer-to-peer transfer of eBLs, without the need to revert to paper. The electronic transfer process mimics a paper bills of lading workflow. Further details can be found at:

<https://www.r3.com/corda-ebi/>

R3 is a software technology firm representing a large consortium of international banks and trading houses.

Corda eBL User Agreement version 1.2 – approved

The legal documentation associated with the use and operation of the Corda eBL solution is the “Corda eBL User Agreement (version 1.2)”. This document has been reviewed and approved by the

International Group. The Corda eBL solution (formerly known as E-TITLE electronic trading system) will replace E-TITLE as an approved electronic - i.e. paperless - trading system. The Corda eBL User Agreement (version 1.2) supersedes the E-TITLE User Agreement.

From September 24, 2021 E-TITLE will cease to be an approved entity

From September 24, 2021 E-TITLE will cease to be an approved entity. As part of their own due diligence, Members are advised, when contracting with an Application Service Provider (ASP) licensed by R3, to seek assurance that the ASP has in place liability cover for non-P&I risks.

Other exclusions of cover under Club Rules continue to apply

Members are reminded that other exclusions of cover under Rules common to all Group clubs relating to the carriage of cargo will, of course, continue to apply in respect of all the International Group-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.

Yours faithfully,


Joseph E. M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc. Managers for
THE AMERICAN CLUB

All clubs in the International Group have issued similar circulars.