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An update on Electronic (Paperless) Trading Systems

International Group of P&I Clubs now confirms approval of an updated version of Electronics Shipping Solutions (ESS)'s electronic trading system, which enables electronic trading both in respect of bills of lading and waybills. You may recall that the Group, after reviewing a number of electronic trading systems, agreed that liabilities arising in respect of the carriage of cargo under such systems would be covered from 20 February 2010 provided that the system had first been approved by the Group. The details of the two systems currently approved by the Group, the Electronic Shipping Solutions system and the Bolero system, could be found on their websites, respectively: www.essdocs.com and www.bolero.net .

In order to ensure that any modifications introduced by the systems meet the Group's requirements, the legal documentation associated with the use and operation of the two systems is continuously reviewed by the Group and its legal advisers.

Traditional exclusions of cover under Club Rules relating to the carriage of cargo, will of course continue to apply in respect of ESS and Bolero in the same way as for traditional paper systems.

While the paperless trading system may bring you benefits of modern technology, we have to remind you that participation in an electronic trading system may get the Members exposed to certain liabilities which are not of a traditional P&I nature. These may arise through shipowners or charterers who wish to participate in either the ESS or Bolero systems being required to be party to particular contractual arrangements under which they assume obligations necessary for the system to operate. For example, to maintain computer links may be a kind of breach of confidentiality undertakings or of obligations. In so far as such risks are not of P&I nature in a traditional way, other insurance arrangements may be required.

If your good company is currently using either of the paperless trading systems, we are grateful to have your advice whether any benefits or difficulties encountered, which we trust would be of great help to the Group.

Source of Information: Andrew Liu & Co., Ltd
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