

Circular From IG**Date: 10 July 2019**

Electronic (Paperless) Trading

This circular is to advise Members of the approval by the International Group of P&I Clubs (the IG) of the Global Share S.A. edoxOnline platform. Members may recall 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 'normal' paper system i.e. one using transferable paper documentation.

From 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 IG. See Circular 2010/026. Since then the IG has approved electronic systems administered by Electronic Shipping Solutions, by Bolero International Ltd (more specifically the Rulebook/Operating procedures September 1999.) and e-title™. As indicated above, the Global Share S.A. edoxOnline platform has now been added to the list of IG approved systems.

edoxOnline provides an electronic paperless system which is supported by a legal framework to facilitate transfer and endorsement of electronic bills of lading, removing the need for a paper bill, although there is scope to revert to paper where it is necessary to do so. This is the first approved system to use blockchain technology. Further details can be found on the company's website www.globalshare.com.ar.

The legal documentation and Terms of Use associated with the use and operation of the edoxOnline platform are the e-BL Terms and Conditions (T&C). That documentation has been reviewed and approved by the Group.

Other exclusions of cover under IG Club Rules relating to the carriage of cargo will of course continue to apply in respect of ESS, Bolero, E-Title and edoxOnline 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 means delivery of cargo other than in accordance with the rules of that trading system).

As with previous electronic systems, it would be helpful to North and the IG in monitoring the use and development of these systems, if Members who are using any of them would advise the Club of any benefits or difficulties which they encounter (whether legal or practical) in the operation of the systems.

All clubs in the IG have issued a similar circular.

Source of Information: The International Group of P&I Clubs

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