

UOB leads IMDA's pilot on digitalising cross-border trade flows between Singapore and China using blockchain framework, TradeTrust

Successful pilot demonstrates significance of electronic bills of lading with turnaround time reduced from a few days to within an hour

Singapore, 18 October 2021 – UOB has partnered the Infocomm Media Development Authority (IMDA) on its digital trade financing pilot using electronic bills of lading for the digitalisation of Singapore-China cross-border trade flows on the TradeTrust digital utility¹. The electronic exchange of trade documents speeds up the shipping document presentation and title transfer process and lowers the transaction costs for businesses, helping them to be more competitive.

A bill of lading is a legal title document issued to a seller that details the type of goods, ownership, quantity and destination of the goods being carried. The traditional trade flow typically involves manual handling of trade documents among sellers, buyers, carriers and banks across different geographies. A trade finance deal for a single cargo by sea could involve as many as 27 parties, requiring up to 36 original documents and 240 copies².

Completed on 15 September 2021, the pilot comprised two digital letter of credit transactions involving electronic bill of lading transaction simulations.

The pilot was conducted by UOB and its Shenzhen Branch in China for the Bank's corporate clients, namely Manufacturing Network Private Limited, Guangdong Guangyun New Materials Co. Limited, Tri-Star Electronics Private Limited, Shenzhen Uni-Right Industrial Trading Co. Ltd., as well as carrier Pacific International Lines. The simulations were facilitated by financial technology (FinTech) service providers, which have integrated their digital platforms with TradeTrust to connect the digital trade data flows between Singapore and Shenzhen.

¹ Please refer to TradeTrust website, <https://www.tradetrust.io> for more information.

² Source: "[How the electronic bill of lading became a battleground for trade digitisation](#)", *Global Trade Review*, 12 July 2021.

Ms So Lay Hua, Head of Group Transaction Banking, UOB, said, “Being at the forefront of connecting ASEAN with Greater China, UOB is pleased to be part of IMDA’s TradeTrust digital utility that transforms conventional cross-border trade flows for greater efficiencies. The successful pilots with our Singapore and Shenzhen clients have reduced the processing turnaround time from a few days to within an hour and demonstrated the interoperability of TradeTrust for paperless workflows within the trade ecosystem.

“With this, electronic bills of lading and other electronic trade documents can be transferred across the ecosystem and the whole trade finance cycle in a fast and seamless manner. We look forward to working with our clients from across the region to enhance their cross-border trade efficiency and to optimise their working capital with greater digital connectivity.”

Shorter turnaround time, including faster transfers of title and other documents, is particularly significant to sellers as they are able to coordinate and to present their documents easily and efficiently without visiting bank branches or engaging couriers. Buyers are also able to avoid incurring charges when there is a timing mismatch between the arrival of goods and paper title documents at ports. This also speeds up the port clearance process for the buyers.

The digital trade financing pilot on TradeTrust marks a key digital milestone under the Singapore-China (Shenzhen) Smart City Initiative. It demonstrates UOB’s continued efforts in driving new cross-border initiatives with its ecosystem partners to connect clients digitally across countries for accelerated growth.

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About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of around 500 branches and offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.



We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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Appendix: Quote Sheet

Mr Subramanyam Swaminathan, Chief Financial Officer, Tri Star Electronic Pte Ltd.

“We fully welcome the digital trade financing initiative as it helps to reduce the transfer time for documents. In our course of business, we often incur demurrage charges due to the timing mismatch between the arrivals of goods and the paper documents. With this new solution, we are able to receive the electronic bill of lading and clear our goods quickly.”

Mr Ong Kian Soon, Director, Manufacturing Network Pte Ltd.

“Our company constantly pays attention to new developments in the market that are able to improve productivity and this digital trade financing solution does just that. It provides an electronic avenue to transfer and authenticate a bill of lading, minimising the additional coordination work and reducing the overall turnaround time to only an hour.”

Mr Wen Mingbiao, General Manager, Guangdong Guangyun New Material Co. Ltd.

“We always focus on being environmentally friendly in our business practices and digitalising trade documents is another step forward in driving sustainability. This digital trade financing solution reduces the dependency on numerous paper trade documents and various courier arrangements, resulting in a cleaner and greener option for all parties involved.”

Ms Amy Liu, Manager, Shenzhen Uni-Right Industrial & Trading Co. Ltd.

“There has been a shift in market focus for digital solutions that require minimal contact, especially during this pandemic. Through this digital trade financing solution, we are able to present our trade documents easily via electronic means without the need for us to engage the banks or couriers physically.”