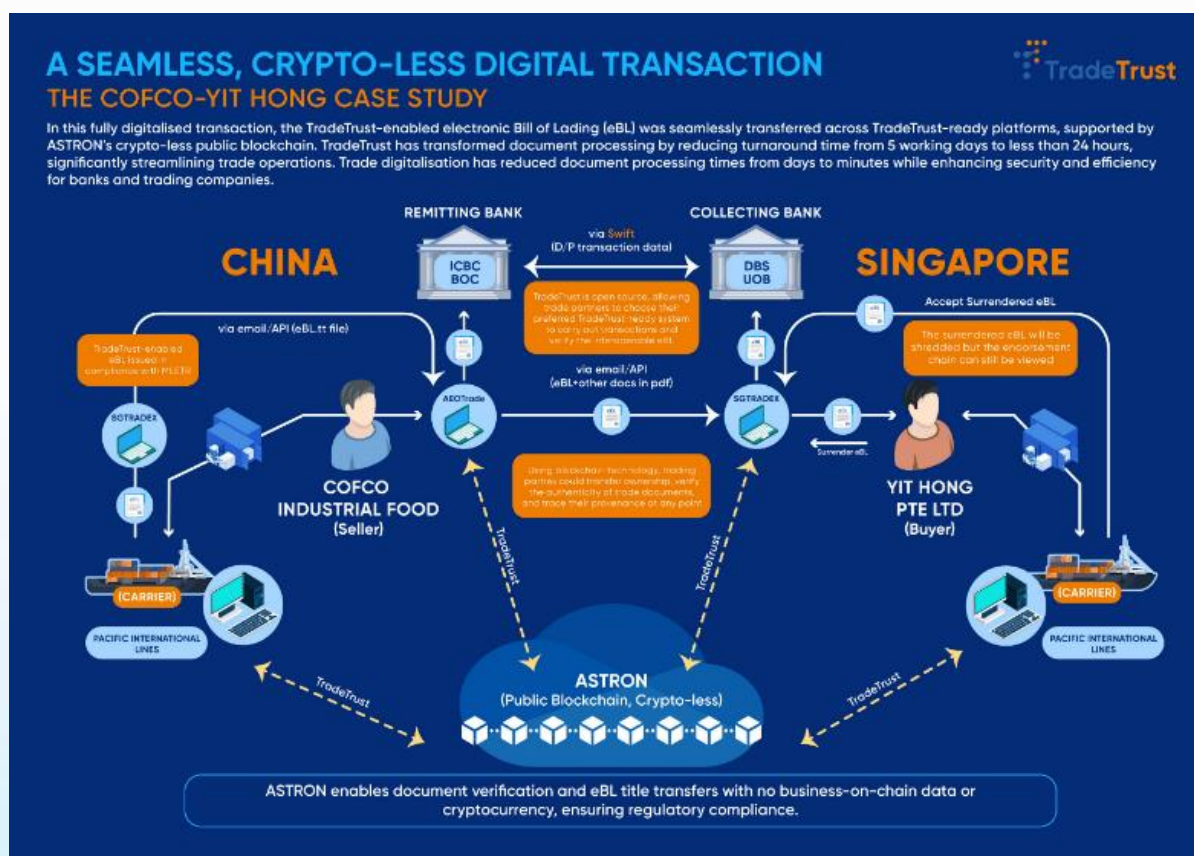


INTEROPERABLE DIGITAL DOCUMENTS AGAINST PAYMENT TRADE COOPERATION

by

Singapore Trade Data Exchange Services & Infocomm Media Development Authority



Before this initiative, cross-border trade transactions involving Documents against Payment (“D/P”) were largely paper-based, resulting in slow, costly processes. Physical handling of trade documents also increased the risk of loss and fraud, and added administrative burdens on businesses, banks and regulators. The shipment-to-payment settlement process typically took 20 days, limiting trade efficiency and competitiveness.

As such, Singapore Trade Data Exchange Services (“SGTraDex Services”) collaborated closely with the Infocomm Media Development Authority (“IMDA”) and Beijing’s commerce authorities to launch the world’s first live interoperable digital D/P transaction using blockchain technology, supported by IMDA’s TradeTrust framework. This partnership enabled cross-border recognition and secure exchange of electronic trade documents, including electronic Bills of Lading, through the integration of TradeTrust’s open-source codes by Singapore’s SGTraDex platform and Beijing’s AEOTrade platform.

The initiative achieved significant operational improvements. The shipment-to-payment cycle was reduced by 75%, from approximately 20 days to just 5 days. Documentation handling time was cut by 60%, and banks on both sides experienced a 30% reduction in document circulation costs. These efficiencies lowered compliance burdens, reduced risks, and increased the speed and security of trade settlements.

This pioneering digital trade framework fosters a pro-enterprise environment by enabling businesses to transact more efficiently and transparently across borders. It empowers Singapore companies to compete more effectively in the global market while encouraging innovation through digital solutions. The success of this pilot highlights the critical role of public-private partnerships in transforming trade processes and regulatory frameworks to support business growth.

By establishing a scalable, interoperable digital trade infrastructure, SGTraDex Services and its partners have positioned Singapore as a leading digital trade hub in Asia, setting a replicable precedent for future cross-border trade innovations.

