



eBL legal and regulatory barriers

UN/CEFACT FORUM - Cross-domain Conference: eTrade Voyage:
Revolutionizing Global Commerce through Digital Transport Documents

Digital Container Shipping Association
4 October 2023

Digital Container Shipping Association - Introduction



About DCSA

- ✓ Global, non-profit association
- ✓ Covering >70% of global container transport
- ✓ DCSA's mission is to shape the digital future of container shipping
- ✓ Neutral and technology- & vendor agnostic
- ✓ Open source and free for all to use
- ✓ Standards are created by collaborating with all stakeholders of container shipping and alignment with established global reference standards. Most notably those of UN/CEFACT

DCSA's Vision

At DCSA, we envisage a digitally interconnected container shipping industry in which the customers of ocean carriers have a choice of seamless, easy-to-use services to meet their business goals.



DCSA's ambition and commitment



Commitment to accelerating digitalisation of container trade – the electronic bill of lading

The digitalisation of trade documents holds great potential to remove friction in international trade, to the benefit of our customers' experience and the environment

The digitalisation of documents has fundamentally transformed industries such as banking, aviation, and telecommunications. These industries have implemented digital standards to enable automated ticketing and paperless transactions to the benefit of their ecosystems. International trade has improved its digital capabilities, but has yet to scale standardised automation.

The original bill of lading is one of the most important trade documents. For centuries, it has functioned as a document of title, receipt for the shipped goods, and a record of agreed terms and conditions. However, the bill of lading is often still reliant on the physical transfer of paper records and manual work. Customers are often required to send and receive paper, obtain stamps and signatures to execute the physical transportation from origin to destination. This represents a time-consuming and environmentally expensive process for customers.

An electronic bill of lading could save customers \$6.5 billion in direct costs and enable \$30-40 billion in annual global trade growth. Likewise, digitizing these processes would substantially benefit the environment by removing the need for physical documents and associated transportation.

We are committed to convert in our respective carrier organizations 50% of original bill of lading activities to digital within five years, and 100% by 2030. This represents a significant change for our industry, and we do not take this commitment lightly. We are convinced that the benefits it will bring to customers and global trade are too important to ignore. We ask that all parties involved – shippers, forwarders, governments, financial institutions, and insurance agencies – work together to make this commitment a reality.

Karen Toll, MSC Mediterranean Shipping Company
 Vincent Clerc, Maersk
 Rodolphe Saade, CMA CGM
 Rolf Habben-Jansen, Hapag-Lloyd
 Jeremy Nixon, Ocean Network Express
 Eric Hsieh, Evergreen Marine
 Kim, Kyung Bae, HMM
 Cheng-Mount Cheng, Yang Ming
 Eli Gluckman, ZIM

DCSA.org

100% in 2030 eBL

to unlock significant savings as well as create opportunities for future growth

On 15 February 2023, the Digital Container Shipping Association (DCSA) announced that its **nine ocean carrier members commit to 100% adoption of an electronic bill of lading (eBL)** based on DCSA standards by 2030.

Switching away from the transfer of physical paper bills of lading could **save \$6.5 billion in direct costs for stakeholders, enable \$30-40 billion in annual global trade growth**, transform the customer experience and improve sustainability.

Various barriers to achieve 100% eBL



“Soft” barriers

Waiting for each other

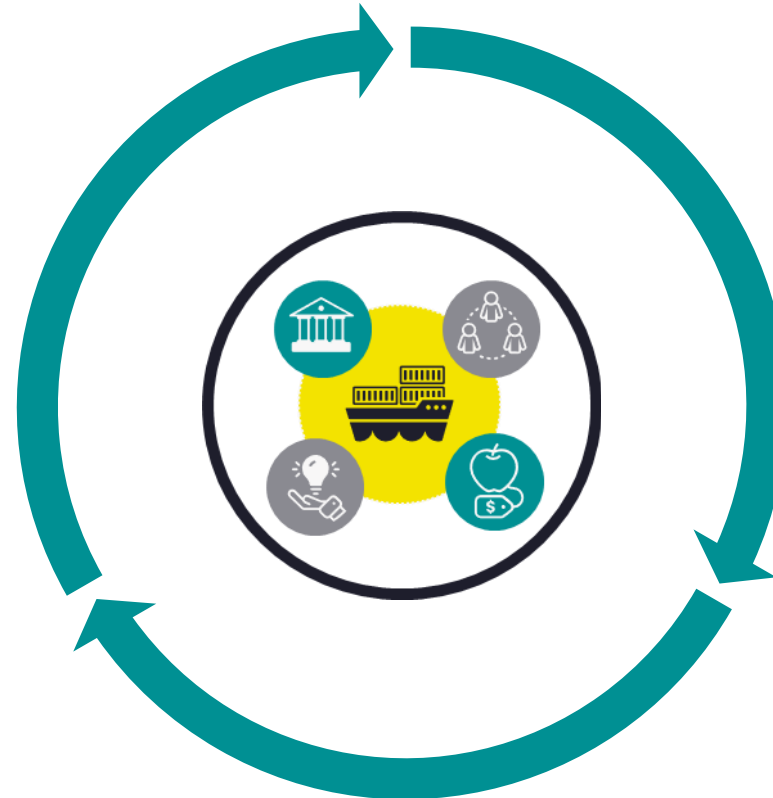
Carrier waits for customer, customer waits for IT provider, IT solution provider waits for carrier

Lack of top-level commitment

Focus is on core-business profits and cost reduction. Little attention for secondary processes

Always something else to do

Moving from crisis to crisis. Fundamental improvement doesn't have priority



Legal & Regulatory barriers

Commercial law

Not accepted by courts or ambiguity about the acceptance

Regulatory requirement

Regulatory requirements prevent the use of electronic documents

Operational practices of agencies

Even if the law allows, officials “on the ground” might not accept

Interoperability barriers

Data interoperability

Not the same language is used and data can't be transferred

Technical interoperability

IT systems and security measures are not compatible to each other

Legal interoperability

Different legal regimes and compliance rules prevent electronic use

To address barriers different functions of the eBL have to be distinguished



Commercial functions (B2B)

1. Transport functions

- Determines transport and delivery conditions and provides proof thereof
- Occurs in 100% of the cases
- Purely between carrier and whoever books the transport

2. Trade functions

- Determines who is the owner of the goods and provides proof thereof
- Occurs in 30-40% of the cases
- Multiple parties involved, including buyer, seller and possible intermediaries

Regulatory functions (B2G)

1. Requirements to provide the actual BL

- Customs, Tax, Transport or Trade authorities can require the document as proof of compliance
- Usually as supporting document to declarations
- Paper versions are the same globally, electronic usually a digital copy of a paper document

2. Requirements to transfer data in a BL

- Mostly required by customs, border, security agencies
- Usually as part of a (digital) declaration
- In most developed countries electronic but little standardization

DCSA researched the state of play of the legal and regulatory barriers in 15 jurisdictions



5 types of legal and regulatory barriers were identified in the research

1) Not allowing electronic documents at all

- E.g.; law requiring an eBL to be printed and signed manually or coastguard asking for a paper BL in case of dangerous goods

2) Leaving too much legal uncertainty/ambiguity

- Occurs very often, eBL implicitly allowed but no clear conditions under which it would be accepted

3) Setting too restrictive or prescriptive conditions

- eBL is allowed but under conditions which outweigh the benefits of going digital – too costly, burdensome or complex especially for SME's

4) Fragmented requirements

- Different requirements across legal jurisdictions, modes of transport or government agencies cause a halt in digitalization

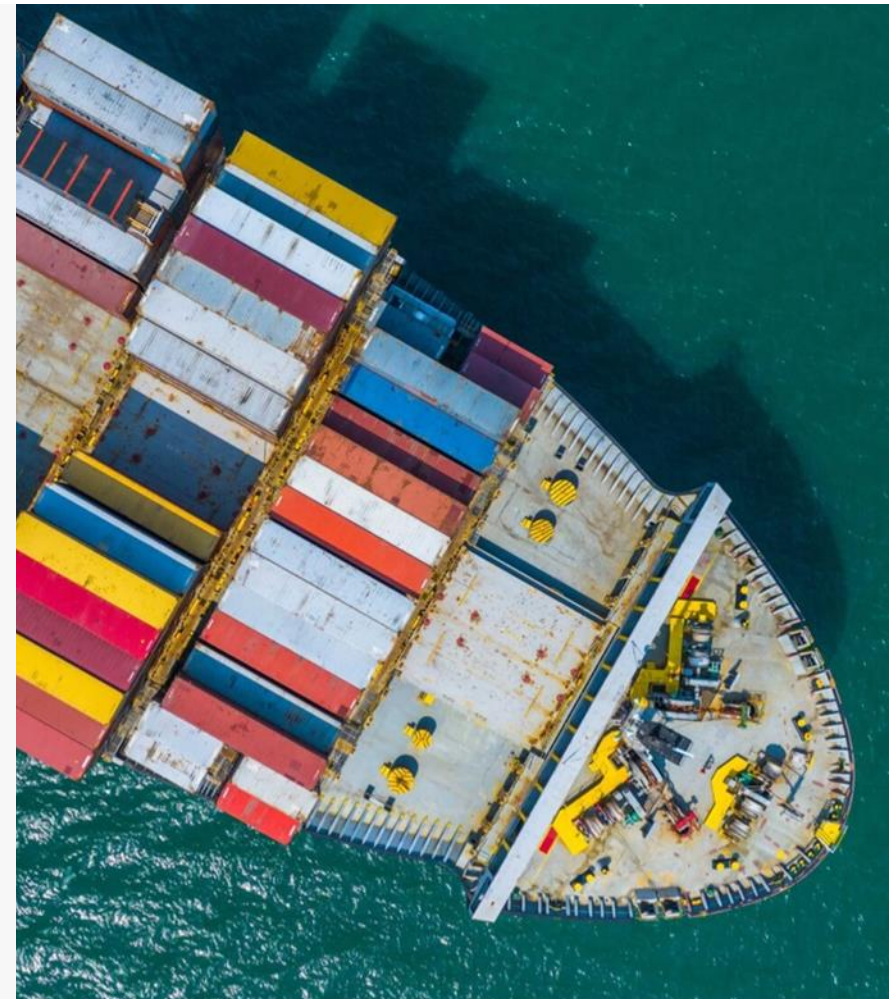
5) Practical requirements

- E.g.; operational customs officers still asking for a paper BL despite underlying legislation allowing electronic or internal compliance rules of companies which were never updated

Recommendations for enabling the use of the electronic Bill of Lading



- 1) **Address legal uncertainty but don't become too prescriptive or restrictive either**
- 2) **Ensure conditions are harmonised across functions of the eBL, borders and other areas of trade and transport**
- 3) **Solve "left-over" issues where use of the eBL is prohibited**
- 4) **Ensure that all stakeholders are well informed about the benefits and possibilities of digital trade**



FIT Alliance – Join the Movement!



Future of International Trade Alliance



Sign the eBL Declaration

By signing the FIT alliance eBL declaration we support the eBL movement and commit to collaborate to drive digitalisation in international trade. This commitment is not legally binding but represents our shared vision for a more efficient and sustainable trade ecosystem. Together, we can lead the way towards a digital future powered by electronic Bill of Lading.

www.fit-alliance.org



Thank you

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