

Electronic Bills of Lading: Notification of new process

Notification to members

1. The Group is pleased to announce that from 20th February 2025, paperless trading systems will be 'deemed approved', if they comply with certain requirements. The requirements for 'deemed approval' are:
 - i), the system permits 'compliant' electronic bills of lading ('E-bills') only, meaning E-bills which are subject to a governing law which gives legal recognition to them as equivalent to paper bills of lading; and
 - ii) the system is reliable and is evidenced as such, as set out at paragraph 7 ii) below.
2. To assist members, going forward, any system provider that approaches the Group for approval of their system, and which meets requirements, will be listed on the Group's website. This applies both to systems that successfully complete the existing Group approval process as referenced in paragraph 8) below, as well as those that are to be 'deemed approved'. Further guidance in relation to the approval process for all providers, going forward, is set out below.

Background

3. Club Rules provide that liabilities arising in respect of the carriage of cargo under paperless trading systems are covered, provided that the system has first been approved by the Group. The Group's involvement in approvals has been to ensure that systems do not prejudice members' P&I cover, given the previous lack of widespread recognition in law of E-bills. Since 20 February 2010, the Group has approved thirteen electronic systems.
4. The emergence of new technologies such as distributed ledger technology, and new legislation have acted as a catalyst for the development of E-bill systems. For example, in September 2023, the Group welcomed the UK's Electronic Trade Documents Act ("the Act"), giving legal recognition in English law to electronic trade documents, including E-bills. The Act meets the requirements of the Model Law on Electronic Transferable Records (MLETR), a uniform model law adopted by the UN Commission on International Trade Law (UNCITRAL) in 2018. Other countries have adopted, or plan to adopt, similar legislation. The International Chamber of Commerce ('ICC Digital Standards Initiative') provides information on legislative updates on a country-by-country basis [here](#).
5. Given the above, the Group reviewed its position in 2023, and introduced a streamlined approach to approval for systems which are limited to the use of E-bills subject to laws that recognise their validity as equivalent to paper bills of lading. At the same time, the Group published a '[frequently asked questions](#)' document.

Impact of legislative changes

6. Under the Act, the effectiveness of an E-bill is predicated on the system being reliable, and the Act sets out a reliability test. Whilst this is strictly a legal test, it is in fact a technological one in that the law will be satisfied provided that the technology meets certain requirements of reliability. Since the Act came into force, Industry bodies have been reviewing industry standards to establish reliability and common standards for all stakeholders. The ICC Digital Standards Initiative has launched its [digital trade reliability assessment tool](#). To date, the Group is not aware of any other similar initiatives that have been launched.
7. In light of these legislative, industry and technological developments, the Group Clubs have now agreed to further revise their approach. From 20th February 2025, systems will be 'deemed approved' if they meet the following criteria:
 - i) the system permits compliant E-bills only, meaning that they are subject to a governing law which gives legal recognition to them as equivalent to paper bills of lading; and
 - ii) the system is reliable and is evidenced as such by:
 - an audit by an independent body; or
 - a declaration by a supervisory, regulatory or accreditation body or applicable voluntary scheme; or
 - applicable industry standards.
8. For systems which fall outside of the requirements for 'deemed approval' the existing approval system shall continue to apply until further notice, and system providers are advised to contact the Group Secretariat at secretariat@internationalgroup.org.uk and to click [here](#) to review requirements.

Approval process from 20th February 2025

9. To assist members to identify which systems are approved, from 20th February 2025, any system provider that approaches the Group for approval of their system, and which meets requirements, will be listed on the Group's website. Group Clubs will no longer issue circulars notifying of approval, as has been the case to date.

If a provider meeting the deemed approved criteria wishes its system to be listed on the Group website, they are recommended to contact the Group Secretariat with supporting evidence of how the criteria are met.
10. All systems that have successfully completed the existing Group approval process (both past and future) will also be listed on the Group's website.

Existing approved system providers

11. For the avoidance of doubt, the status of system providers that have been approved by the Group to date, remains unchanged.

Club cover reminder

12. Finally, members are reminded that other exclusions of P&I cover under Group Club Rules will of course continue to apply in respect of the carriage of cargo irrespective of whether the bill of lading is issued in paper form or through an approved E-bill provider. These exclusions include but are not limited to 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, liabilities arising under an ad valorem bill, liabilities arising out of terms of carriage less favourable than the Hague Visby rules unless mandatorily applicable and the delivery of cargo without the production of the negotiable electronic document / record, which in the case of an approved electronic trading system will mean delivery of cargo other than in accordance with the rules of that trading system.
13. All Clubs in the Group have issued a similar circular.