

ITFA CHAIR WINS AWARD FOR CONTRIBUTION TO DIGITISATION OF TRADE, May 2024

Interview by Rebecca Spong, Editorial Consultant, May 2024

ITFA chairman **Sean Edwards** was awarded the Director's Award for the individual who has made the greatest contribution to the digitalisation of international trade by the ICC UK and the UK's Centre for Digital Trade and Innovation (C4DTI) at their annual conference last month. He talks to editorial consultant **Rebecca Spong** about what the award means to him - as well as ITFA's efforts to support the digitization of trade.

Q) Congratulations on your award. What does winning this accolade mean to you?

A) It is a great pleasure and honour to have my work recognised by the ICC and the C4DTI. There were some fantastic fellow nominees, and I am extremely proud to have won the award amongst such impressive talent.

In my role at ITFA, I have been working very hard for a number of years on pushing forward the digitalisation of trade – whether that be related to legal reform and advocacy or more practical initiatives. I have worked with a number of financial authorities advising on the use of electronic trade documents, including Abu Dhabi Global Markets and Dubai Financial Services Authority. I also gave evidence to the U.K. House of Lords last year for the need for the Electronic Trade Documents Act (ETDA) which came into force last September. I am very happy to have these efforts recognised.

Q) What are your biggest achievements in pushing forward the digitalisation agenda?

A) Of course, I was very honoured to have presented to the House of Lords and be the “voice of industry” on the future use of electronic trade documents and help ensure the act was passed. Yet, what I am particularly proud of is our continued efforts at ITFA to deal with the requirements and implementation of the UK's ETDA and its various iterations around the world.

ITFA has also worked with an organisation in Paris that has lobbied for France to have its own version of the UN's 'Model Law on Electronic Transferable Records' (MLETR) law. The French version is now on the verge of being passed into law.

Specifically, we at ITFA are working with industry bodies and financial authorities around the world to find some consensus around the concept of a “reliable system” to create and transfer electronic documents, which is referred to in the various national interpretations of the MLETR.

We are trying to quell fears and provide reassurance to the industry that the new law does not require a higher standard of system than used previously with traditional paper documents. The industry is beginning to understand that with a combination of legal opinions and technical reports you can find a way of proving that your system is ‘reliable’.

Q) What are some of your goals and ambitions within your ITFA role for the future of trade digitalisation?

A) I am keen to support proper use cases where electronic documents are being successfully created and transferred. One of our members, Lloyds Bank, has been particularly pioneering in this regard and I am keen to encourage more commercial adoption by working with partners such as Lloyds and tech firms such as Mercore and the system providers such as Arqit and Enigio and getting them all to work together [*Read more about Lloyd's first digital promissory note transaction completed under the UK's ETDA last year [here](#)*]

It is starting to scale up – but it is still small. That is the challenge for us, and it is what I find exciting trying to move the dial on that.

What is also really interesting me at the moment is the opportunity to digitise both the physical and financial supply chains using digital instruments and platforms. You could start your export transaction with a bill of lading – and then convert it to a bill of exchange on the same platform with no fuss at all. We at ITFA would like to show our members and the wider market that this possibility exists and to encourage them to start adopting their own new systems.

Q) What are some of the challenges in encouraging wider commercial adoption of electronic documents?

A) We need to demonstrate to the market the benefits of using electronic documents instead of paper ones. The ETDA removed a legal obstacle – but just because you can do something, doesn't mean you should do it.

You need to understand the other reasons supporting the use of electronic documents – whether that be around creating more efficient processes or producing an instrument that may be a lot more attractive to non-bank investors who don't want to deal with complex trade documents, but like trade as an asset class.

Q) Are there any other specific initiatives ITFA is working on that support the future digitisation of trade?

A) We have the Digital Negotiable Instruments (DNI) initiative led by Andre Casterman, chair of the fintech committee. This initiative has been responsible for the creation of the [DNI Handbook](#) which provides invaluable advice on the use of digital bills of exchange and promissory notes.

We also have the Trade Finance Distribution initiative (TFDI) which is looking to encourage the increased digitalisation and automation in the distribution of trade finance assets.

Together they represent a complete approach to the use of electronic trade documents from the financial perspective. Remember also that we published the Uniform Rules for Transferable Electronic Payments Obligations which sets out rules for selling and buying this new class of digital asset. All in all, I think that we are laying a path for others to follow and are beginning to see meaningful interest and real-world adoption.