

Notices to Members

No. 11 2015/2016 - Electronic (Paperless) Trading Systems - Bolero International Ltd, essDOCS Exchange Ltd and e-title

October 2015

Dear Sirs,

Electronic (Paperless) Trading Systems - Bolero International Ltd, essDOCS Exchange Ltd and e-title

This circular informs Members of the approval by the International Group of P&I Clubs (the Group) of the e-title electronic trading system. Members will recall, as reported in our Notice to Members No. 3 2013/2014 – Electronic (Paperless) Trading Systems – Bolero International Ltd and Electronic Shipping Solutions, that until February 2010 the Rules of all of the Group Clubs specifically excluded liabilities in respect of the carriage of cargo under all electronic, i.e. paperless, trading systems to the extent that the liabilities under such systems would not have arisen under a 'normal' paper system i.e. one using transferable paper documentation.

From 20 February 2010 liabilities arising in respect of the carriage of cargo under such systems were covered provided that the system had first been approved by the Group. The first two systems approved by the Group were those administered by Electronic Shipping Solutions now known as EssDOCS Exchange Ltd (more specifically the version referred to as DSUA 2013.1) and by Bolero International Ltd (more specifically the Rulebook/Operating procedures September 1999.) Both those two systems continue to be approved. In addition the e-title system can now be added to the list of approved electronic i.e. paperless systems.

The e-title system is designed to provide an electronic portal or envelope which facilitates electronic trading both in respect of Bills of Lading and waybills, which are transmitted in electronic form through the e-title portal, removing the need for a paper Bill of Lading. Further details can be found on the company's website. The legal documentation associated with the use and operation of the e-title system is the Electronic Title User Agreement (version 1.2). This documentation has been extensively reviewed by the Group.

Exclusions of cover under Group Club Rules relating to the carriage of cargo will of course continue to apply in respect of essDOCS, Bolero and e-title in the same way as for paper systems. These exclusions include 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, 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.

As with previous electronic systems, it would be helpful to the Group, in monitoring the use and development of these three systems, if Members who are using any of them would advise the Club of any benefits or difficulties which they encounter, legal or practical, in the operation of the systems.

In light of the approval of the e-title system the Group has issued some amended FAQs. These have been incorporated into an updated Claims Guide on electronic bills of lading issued by the Club which can be found via the following link:

Claims Guides: Paperless trading - electronic bills of lading

All Clubs in the Group have issued a similar Circular.

Yours faithfully

For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

A Paulson
Director