

press release

Standard Chartered and PTT Group complete first cross-border Letter of Credit blockchain transaction in oil industry

7 August 2019, Bangkok, Thailand – Standard Chartered Bank has successfully executed a pilot transaction for PTT Group, PTT International Trading Pte Ltd and IRPC Public Company Limited, paving the way in transforming documentary trade with the first cross-border Letter of Credit (LC) issued over the Voltron blockchain platform in the oil industry.

Due to the significant cargo value, oil companies are often reliant on Letters of Credit as a form of short-term trade finance. However, this process is paperwork-intensive and requires up to five days for the delivery of these documents.

This pilot involved the shipment of an oil product from Thailand to Singapore. Standard Chartered was able to digitise and simplify the end to end exchange of information between all parties in the transaction on the Voltron platform, including the issuance, advising and negotiation of LC and presentation of documents. As the documents were sent electronically, all trade participants can view real time updates on the progress of the transaction. This resulted in a significant reduction of processing time to less than 12 hours, in addition to achieving greater transparency and cost efficiencies across the supply chain.

Mr Wittawat Svasti-Xuto, Chief Technology and Engineering Officer, PTT Public Company Limited (PTT) revealed that PTT, as the national energy corporation, has perceived the opportunity to utilise innovative digital technology to not only support and strengthen its petroleum and petrochemical business operations, but also to enable the business to be adaptive for changes and create opportunities for trades and business operations among PTT Group. With accumulated experience and expertise, PTT has successfully utilised blockchain technology to reinforce the business efficiency between IRPC Public Company Limited and PTT International

Trading Pte Ltd. Therefore, in this digital era, PTT is now ready to pursue new business opportunities for sustainable growth in the future.

Mr Noppadol Pinsupa, President of IRPC Public Company Limited (IRPC) said: “Given digitisation is one of IRPC’s top priorities as a part of GDP strategy – Growth, Digital and People, it is a great opportunity to work with Standard Chartered Bank on this international trading digitisation journey. This cross-border LC blockchain transaction is actually one of our further steps of the blockchain utilisation apart from others. The hands-on experience of our involvement and contribution to Project Voltron in this pilot transaction will certainly bring us to the forefront of the rapid evolvement of technology utilisation to improve the transaction efficiency while reducing the processing period. We are looking forward to running and expanding our export transactions with our trading partners on the Voltron platform soon.”

Miss Supasachi Hongsinlark, Managing Director, PTT International Trading Pte.Ltd. said: “PTT International Trading Pte Ltd aims to develop its business towards becoming a more digitally advanced company. Recognising the importance and benefits of using modern technology, blockchain technology is used to improve management process which increases trading efficiency and reduces turnaround time of the LC process. The system will provide more visibility to monitor trade finance flow in real time, which will improve transparency and credibility for the trading process and thus strengthen the relationship between our partners and stakeholders in the long run.”

“This pilot transaction marks the first of many that will follow from our participation with Voltron to digitise trade and enhance the client journey,” said Samuel Mathew, Global Head, Documentary Trade Product Management at Standard Chartered Bank. “As our clients increasingly look to technology to address the challenges of today’s global trade environment, we are extremely optimistic and excited about the potential opportunities that Voltron brings to the industry with its demonstrated benefits in improved speed and reduced risks of settlement, as well as its flexibility in connecting banks, businesses and other third-party providers in its network.”

Jordane Rollin, Global Head of Digital Transformation, Trade Product Management at Standard Chartered Bank and Voltron Steering Committee member, added: “We are transforming trade finance by investing in technology and building partnerships. As the consortium prepares for full commercialisation of the network, we are continuously getting feedback from our clients via pilots to enhance Voltron with new features. We have also started to ramp up on our contribution to this initiative to expand its offering beyond Letters of Credit and become a new industry standard for digitised traditional trade.”

“Standard Chartered Bank (Thai) Pcl’s priorities are to optimise our international network and introduce digitisation to enable our clients’ operational efficiency. It is an honour for us to have completed the very first real shipment transaction between Thailand and Singapore on the Voltron Platform. The learning, experience and opportunity to contribute to shaping the future of international trade along this journey with the teams from PTT International Trading Pte Ltd. and IRPC Pcl have been tremendous and valuable. We are looking forward to the progress of Project Voltron towards production stage soon,” said Plakorn Wanglee, President and CEO of Standard Chartered Bank (Thai) Public Company Limited and Representative Offices.

Standard Chartered is one of the founder members of Voltron, a blockchain-based open industry platform to digitally create, exchange, approve and issue Letters of Credits. It continues to deliver a differentiated offering to connect clients and their ecosystems through innovation and co-creation, and most recently announced the launch of [Trade AI Engine](#), a joint solution developed in partnership with IBM to enhance the client experience in trade document processing through increased operational efficiency and strengthened operational control. Earlier this week, the Bank also completed its [first joint deep-tier supply chain financing transaction with Linklogis](#) for Digital Guangdong, a joint venture between Tencent, China Unicom, China Telecom and China Mobile to bring digital government services to the local residents.

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Note to Editors

Standard Chartered

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About Voltron

Voltron is a blockchain-based open industry platform to create, enhance, approve and issue letters of credit on Corda, R3's blockchain platform. The 8 founding member banks are Bangkok Bank, BNP Paribas, CTBC, HSBC, ING, Natwest, SEB, and Standard Chartered with delivery partners Bain, CryptoBLK and R3.

Voltron will improve the trade finance process by simplifying letters of credit, delivering shorter settlement times, instant discrepancy resolution and simplified sanctions screening. Voltron is inviting banks, technology partners and corporates to join the network.