

Blockchain for Trade Finance

Organization Name: HERE TECHNOLOGIES

Overview:

Trade finance makes import and export transactions possible for entities, ranging from a small business importing its first private-label product from overseas, to multi-national corporations importing or exporting large amounts of inventory around the globe each year. Geospatial data is increasingly informing decision-making in financial inclusion. Many trade finance companies are not always aware of the opportunities available to them when they combine their internal datasets with financial access point data and other GIS information.

Current Challenges:

Trade finance by banks and other financial institutions is a vital function in international commerce, as it provides delivery and payment assurance to buyers and sellers, and it helps close the trade cycle funding gap for these parties.

Other pain points include: Payment and delivery delays due to process overheads, a lack of insight into the movement of goods and the effort required for counterparty due diligence and contractual compliance processes. Financial service providers need to use a variety of GIS layers to decide where to locate new branches or agents. GIS data allows them to identify locations for investment based on existing road and electricity infrastructure, mobile coverage and the socio-economic conditions in the area. In order for customers to make use of services they have to be able to locate the nearest and most suitable financial access point. For example, customers need to distinguish between access points that offer cash withdrawals or card services, card less or eservices and those that receive deposits.

The movement of the goods from the seller to the buyer. Cargo and transport risks are reduced through cargo insurance, which is usually defined by standard international policy wordings. One area of cargo insurance that a seller should be aware of is who should arrange the insurance – this is often determined by the agreed terms of delivery. Another area of cargo insurance is the risk of the buyer arranging insurance according to some terms of delivery. If the buyer fails to ensure the cargo shipment in a proper way, the insurance could be invalid if, for example, the port or transport route changes and the items arrive in damaged condition.

Business Requirements:

We are looking for the opportunity to leverage the HERE location data for trade finance industry to be build on the blockchain framework or through Holochain which provides a framework for developers to build decentralized applications and aims to change the paradigm of data-centric blockchains to an agent-centric system.

Instead, each agent or buyer/seller in the public blockchain maintains a private fork, essentially, that is managed and stored in a limited way on the public blockchain with a distributed hash table. This means there are no scalability limits and dapps (decentralized application) hosted on Holochain can do much more with less of nearly everything than traditional blockchains.

Each trade transaction runs in its own private chain so there is no need to wait for global consensus. Millions of Holochain transactions can occur at the same time. Data is stored in distributed hash tables amongst all the users of the app. So It is resilient. If part of the network or an individual node goes down, there is still enough processing and storage for the apps to continue to run. The application framework must use HERE location intelligence data to track back the 01st transaction to the latest transaction in any financial condition visible from the seller to buyer with all middle men involved or not.

For distributed applications, each member or seller/buyer of the chain need not maintain a running record of the public blockchain as a whole. Rather, each seller/buyer maintains a singular blockchain that interacts with that seller/buyer unique cryptographic key. The secure, verifiable nature of blockchain doesn't just give businesses and organizations the opportunity to be more productive – it also improves accountability for consumers.