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Getting the Paper out of International Trade and Finance: Why not now?

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Sir Geoffrey Vos, Master of the Rolls

Introduction

1. I pay my respects to all aboriginal people and to elders, past, present and emerging.

2. Many thanks to Helena Busljeta for that kind introduction. I am honoured and delighted in equal measures to have been invited to deliver this address to the Banking and Financial Services Law Association Conference here in Queensland.

3. When I asked Helena to say what she wanted me to talk about, she said that, ideally, she would have liked a topic relevant to banking, financial services or insolvency. Well I hate to disappoint, but whilst my subject has tangential relevance to banking and financial services, I am intending instead to talk about paperless international commerce.

4. For many years, I have been advocating for entirely digital, rather than paper-based, trade, and for many years I have been aware that paperless trade has been elusive and largely aspirational. This morning, I want to track some of the reasons for that and to explore when and how we might be able to get the paper out of international trade and finance.

5. I should make clear at the outset that the picture is patchy. There are glimmers of hope, in that the latest statistics suggest that global uptake of electronic Bills of Lading (eBLs) has increased from roughly 1% in 2021 to roughly 11% in 2026. And there are some 45 million Bills of Lading issued

annually.[1] But there are two distinct architectures underpinning eBL platforms: those based on distributed ledger technology (DLT) or blockchain systems and those based on centralised ledgers. That difference create potential operational impediments to wholseale take-up.

6. In this presentation, I intend to look at a number of such legal and practical hurdles to truly paperless international trade. The hurdles that I intend to consider may be summarised as follows.

7. First, there is a lack of legal certainty as to validity of such paperless trade under the most widely chosen systems of private law. Only a few countries have actually enacted the regime established by UNCITRAL's Model Law on Electronic Transferable Records (the MLETR), even though the MLETR was adopted on 13 July 2017,[2] now 9 years. And the United Nations Convention on Negotiable Cargo Documents of 15 December 2025,[3] a landmark treaty that would allow cargo documents to go fully digital, has yet to be ratified by a sufficient number of states to come into force.

8. The second hurdle is the absence of mainstream digital currencies. There are few widely traded central bank digital currencies, and there is reliance instead on stablecoins and volatile cryptoassets such as Bitcoin. There is no digital dollar in prospect. That is a position that is unlikely to change in the current political climate in the USA.

9. Thirdly, whilst there are signs that shippers, carriers, insurers, governments, port operators and customs regulators would like to move to relinquish paper Bills of Lading, Bills of Exchange, commercial invoices, customs declarations and certificates of quality, there has not yet been any

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1 https://cleareye.ai/electronic-bill-of-lading-news-2026-adoption-standards/

2 https://uncitral.un.org/sites/default/files/media-documents/uncitral/en/mletr_ebook_e.pdf

3 https://uncitral.un.org/sites/default/files/2026-05/ncd_convention_ebook_e.pdf

transformational shift away from paper. It is worth exploring the reasons for that reluctance.

10. Finally, I will consider what might be done to unblock the logjam. I will consider whether the work of the UK Jurisdiction Taskforce (the UKJT) and the International Jurisdiction Taskforce (the IJT) might be able to provide some impetus to the move towards digital paperless trade.

11. Let me start, if I may, by setting the scene.

The legal position before UNCITRAL's Model Law on Electronic Transferable Records

12. The England & Wales Law Commission's final report on Electronic Trade Documents in March 2022[4] gave rise to the UK's Electronic Trade Documents Act 2023 (the ETDA 2023).[5] That Act, in short, made it lawful to evidence the legal ownership of goods or money by possessing or controlling electronic, rather than physical, documents.

13. The Law Commission's report explained the problem that existed before the ETDA 2023 by quoting at [1.2], Dr Burcu Yüksel Ripley, who identified the dependence on paper as follows:

    (1) Export-import transactions have several interconnected phases involving international sales … transportation, insurance, payment and finance, and customs.

    (2) In each of these phases, a huge amount of international trade paperwork is often issued which typically involves sale of goods contracts, commercial invoices, packing lists, certificates of inspection, export and

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4 https://cdn.websitebuilder.service.justice.gov.uk/uploads/sites/54/2025/12/Electronic-Trade-Documents-final-report-ACCESSIBLE-1.pdf

5 https://www.legislation.gov.uk/ukpga/2023/38/contents

import licences, bills of lading, insurance policies, letters of credit and customs declarations.

(3) … traditionally … this paperwork is required to be exchanged in a physical format among several parties from different countries involved in one or more phases of transactions, such as exporting seller, importing buyer, freight forwarder, carrier, insurer, bank and custom authority. It is crucial not only to get the paperwork right but also to get the right paperwork physically delivered on time to the right party or parties.

14. The Law Commission said,[6] correctly at that time, that international trade relied on documents that entitled **the holder** to claim performance of the obligations, and to transfer the right to claim performance "by transferring (physical) possession of the document". The document embodied the obligation, which might be to deliver goods or to pay money, so that simply handing over a bill of lading was sufficient to give the new holder a right to the goods described in the bill. The law at that time did not recognise the possibility of **possessing** electronic documents, because possession was associated only with tangible assets.

15. The Law Commission described the need for paper as: "clearly archaic, inefficient, and wholly unsuited to a world in which processes and transactions are increasingly in digital form".[7] It explained that: (i) electronic versions of … trade documents could lead to significant cost savings and efficiencies, together with improvements in information management and security, and that (ii) "[t]he emergence … of central registry systems and … distributed ledger technology (DLT) has made paperless trade increasingly feasible".

16. Progress has been slow and I have long thought that something ought to be done by the legal community to

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[6] [1.3]-[1.4] of the Final Report.

[7] [1.4]-[1.5] of the Final Report.

precipitate a tipping point at which trading parties have confidence to move away from paper documentation towards a cheaper and more efficient digital world.

17. McKinsey has estimated that the universal adoption of electronic trade documents would bring direct transactional savings of someUS$6.5billion with broader trade savings amounting to up to US$30–40 billion.[8]

18. Finally, by way of introduction, it should be clear that I am not just talking of the transformation from paper to electronic documents, but onwards from electronic trade documents to streamed data flows. Such streamed data would allow for the live tracking of cargo vessels, instantaneous customs filings and automated supply chain updates.

The legal infrastructure needed to underpin digital trade

19. UNCITRAL's MLETR[9] has been enacted in domestic legislation in jurisdictions including Abu Dhabi, Bahrain, China, France, Singapore, and the United Kingdom.[10] New York has not expressly adopted the Model Law, but has taken steps that have the same effect by adopting article 12 of the Uniform Commercial Code on Controllable Electronic Records.[11] Article 12 has been adopted in some 30 states in addition to New York.

20. Australia has yet to adopt the Model Law, but it is on track to do so, if the Attorney-General's Department of the Australian

[8] McKinsey $6.5bn / $30–40bn estimate — DocStreams April 2026: https://docstreams.ai/blog/why-shipping-documents-are-going-digital-in-2026-from-bol-to-eta

[9] https://uncitral.un.org/sites/default/files/media-documents/uncitral/en/mletr_ebook_e.pdf

[10] https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records/status

[11] https://www.nysenate.gov/legislation/laws/UCC/A12

Government's website is up-to-date.[12] There are some signs here in Australia that the Australian Trade and Investment Commission's Simplified Trade Systems Unit[13] is adopting a number of measures aimed at enhancing digital trade including the Digital Trade Accelarator Programme allowing access to near real-time customs and cargo data.[14]

21. The UK's Electronic Trade Documents Act 2023 (based on the MLETR) allows digital documents to be treated in the same way as paper documents provided that they satisfy certain simple conditions. It provides that electronic trade documents such as Bills of Lading or Bills of Exchange are to have the same effect as paper ones (section 3(2)) provided **reliable electronic systems** are used.

22. Those reliable systems need to achieve five objectives, namely: (i) to identify the document so that it can be distinguished from copies, (ii) to protect the document against unauthorised alteration, (iii) to secure that it is not possible for more than one person to exercise **control** of the document at any one time, (iv) to allow the person **in control** of the document to demonstrate that they are able to do so, and (v) to secure that a transfer of the document deprives the previous **controller** of control (section 2(2)).

23. The United Nations Convention on Negotiable Cargo Documents[15] (NCDs) will, when it comes into force, establish a legal framework for negotiable documents of title that represent goods in transit, regardless of the mode of transport. NCDs can be issued in either paper or electronic form, and are

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12 https://www.ag.gov.au/international-relations/model-law-electronic-transferable-records-mletr

13 https://www.austrade.gov.au/en/how-we-can-help-you/programs-and-services/simplified-trade-system

14 https://www.abf.gov.au/help-and-support/ics/trade-data-api-services

15 https://uncitral.un.org/sites/default/files/2026-05/ncd_convention_ebook_e.pdf

intended to be recognised cross-borders by parties to the Convention.

24. Whilst most international trade is undertaken using only a few systems of private law, a lack of trader confidence is perhaps created by the fear that the involvment of countries (for example as importer), whose private laws do **not** recognise electronic trade documentation, could invalidate paperless transactions undertaken under the laws of those countries that hve adopted the MLETR. I shall return to this fear.

Universally acceptable digital currencies

25. The story starts with President Trump's Executive Order of 23 January 2025 entitled "Strengthening American Leadership in Digital Financial Technology".[16] That Executive Order had two particular avowed purposes namely:

(1) "Promoting and protecting the sovereignty of the United States dollar, including through actions to promote the development and growth of lawful and legitimate dollar-backed stablecoins worldwide"; and

(2) "Taking measures to protect Americans from the risks of Central Bank Digital Currencies, which threaten the stability of the financial system, individual privacy, and the sovereignty of the United States, including by prohibiting the establishment, issuance, circulation, and use of a CBDC within the jurisdiction of the United States".[17]

26. This second objective has not been finally realised but Title XI and section 1101 of the 21st Century ROAD to Housing

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16 Executive Order 14178 at https://www.whitehouse.gov/presidential-actions/2025/01/strengthening-american-leadership-in-digital-financial-technology/

17 Trump's executive order revoked President Biden's Executive Order 14067 of 9 March 2022 and the US Treasury's Framework for International Engagement on Digital Assets of 7 July 2022.

Act, which became law on 11 July 2026, includes a prohibition on issuing a central bank digital currency until 31 December 2030.[18]

27. There is not time this morning to consider the way in which the digital asset markets are changing following the enactment of the GENIUS Act on 18 July 2025 (the Guiding and Establishing National Innovation for US Stablecoins Act (the GENIUS Act)) in the US and MiCA in the EU (the Markets in Crypto-Assets (MiCA), which came into force in June 2023).

28. The GENIUS Act is becoming embedded by providing a federal regulatory framework for US stablecoins, creating a licensing category for "permitted payment stablecoin issuers", and requirements for issuers to maintain 1:1 reserves of cash or US short term Treasury stocks, creating legal protections for holders in the event of insolvency. Most importantly, perhaps, stablecoins will not be classified as securities or commodities, and permitted payment stablecoin issuers (PPSIs) will not be classified as investment companies.

29. The digital asset and stablecoin market may amount to some $3 trillion, but that is less than 1% of the mainstream trading market. In short, fiat currencies look certain to dominate international trade for the foreseeable future.

30. One might have thought that China and its digital yuan (or CBDCs emanating from other countries) would have stepped in to fill the vaccum, but this is also looking increasingly unlikely for a variety of reasons that need not detain us this morning.

31. Without mainstream international digital currencies or a digital dollar, the path to international paperless trade is less straightwforward. Stablecoins make up, as I say, a small part of mainstream payment mechanisms. CBDCs offered the

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18 https://www.congress.gov/bill/119th-congress/house-bill/6644/text.

hope of asset backed digital currencies in which international trading entities could have confidence. With the US resisting the establishment or use of CBDCs, it seems unlikely that, in the short to medium term, either (i) a universally recognised digital currency, yet alone a digital dollar, will emerge, or (ii) that fiat currencies will be replaced in international trading transactions by digital currencies.

32. As I shall suggest in a moment, it is possible that commercial parties might be better to accept that position for the time being and proceed towards paperless trade using established fiat currencies in which there remains full trust and confidence.

A market reluctance to relinquish paper and adopt digital trade

33. The OECD published its Policy Paper in September 2025[19] on the digitalisation of trade documents and processes. It concluded that 5 steps were needed in parallel for digitisation to occur: (i) The digitisation of trade-related documents including e-invoicing, electronic Bills of Lading, digital customs declarations, certificates of origin, and licensing certificates, (ii) the digitalisation of trade-related processes, involving leveraging technology to streamline, automate, and enhance the efficiency of customs and other border agencies processes, ultimately impacting the release of goods at the border, (iii) the adoption of digital technologies, including Electronic Data Interchange (EDI) or Application Programming Interfaces (API) to automate document completion and sharing, (iv) the standardisation of data elements for documents to be machine-readable, and (v) the adoption of enabling regulation, domestically and internationally, including legal frameworks for conducting transactions electronically.

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19 https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/09/the-digitalisation-of-trade-documents-and-processes_de6a03e9/64872f25-en.pdf

34. It can be seen at once that the legal piece in the jigsaw is not put at the top of the list of requirements. Moreover, the list indicates the need for an extraordinary amount of coordination and planning for digital trading to take off.

35. It is reported that nine member carriers of the Digital Container Shipping Association (the DCSA)[20] have committed to 50% adoption of electronic bills of lading by 2030. Those nine are said to be on track to be technically ready in 2026. Commercial bankers would love, I think, to save the huge cost of the manual checking of mounds of paper bills of lading, commercial invoices, customs declarations and certificates of quality. But they are restricted in how far they can go without the entire market moving with them.

36. The market reluctance I have mentioned might be caused by the fact that many customs systems default to paper presentation, the fact that ports and terminal operators lack the incentive to update to EDI (Electronic Data Interchange) interfaces, the continuing lack of interoperability between electronic trade platforms,[21] and the fact that paper also remains the default choice for shippers and freight forwarders.

37. As the OECD Policy Paper shows, there is much to do. It is hard to identify everything that is holding up progress. One would normally put such slow adoption down to a lack of legal confidence, but here it seems to be more complex than that. And thus far, it is hard to see clearly the trajectory from the default to paper to a default to digital.

<u>Is there a solution that might unblock the logjam?</u>

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20 https://cleareye.ai/electronic-bill-of-lading-news-2026-adoption-standards/

21 For example, Bolero, essDOCS, WAVE, Contour, and TradeGo.

38. In this uncertain international landscape, the visionaries are struggling to see their way to digital paperless international trade. The objective is hugely beneficial and will reduce costs. Machine readable documentation improves data and reduces the need for costly manual checking by banks and customs alike. The question is how can these worthy objectives be achieved.

39. What is needed is market confidence to achieve the push necessary to fulfil the 5 parallel steps identified by the OECD.[22] These were, of course: The digitisation of trade-related documents and processes, the adoption of APIs, the standardisation of machine-readable data and the adoption of enabling laws and regulation for conducting transactions electronically.

40. There are, perhaps, two big questions. First, how can digital trade be established without universally accepted digital currencies to fund it, and secondly, how can trade parties be provided with the confidence needed to trust digital documentation in place of paper as the ultimate dependable medium.

Can digital trade be established without universally accepted digital currencies to fund it?

41. As to the first question, I have no doubt that we should stop fretting about the failure of reliable mainstream CBDCs to emerge. The USA will not adopt or recognise CBDCs for whatever reasons, and, in any event, without a digital dollar, it would probably take a very long time for market confidence to become established in stablecoins or other cryptoassets backing international trade. One might think that the market would be best to aim for paperless digital trade funded by digitally transferred fiat currencies, even if they cannot be recorded or transmitted on-chain.

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[22] https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/09/the-digitalisation-of-trade-documents-and-processes_de6a03e9/64872f25-en.pdf

42. In one sense, the use of fiat currencies might remove one element of uncertainty from the transition. It seems unlikely that cryptoassets will be replacing fiat currencies any time soon, so entrenching the use of fiat currencies to fund paperless digital trade may go with the grain of the market.

How to instill trust in digital documentation in place of paper?

43. The second question is by far the most difficult. As a judge and a lawyer, I tend to start with a consideration of the private law foundation for such trade. The MLETR has, as I have said, only been adopted in a proportion of the main trading nations. But the good thing is that the states, whose private laws are most commonly chosen by commercial parties to govern their transactions have, or are about to, adopt the MLETR regime: English law, Singapore law, New York law, PRC law, Dubai law and, soon, Australian and Japanese law. That ~~is~~should be all that is needed for the legal validity of paperless trading transactions governed by those laws.

44. There is no particular reason why regulation should stand in the way of paperless trade, once the legal infrastructure is established, and the complexities of digital asset regulation are put to one side. But customs authorities will need to be comfortable with the digital environment.

45. Perhaps the most difficult transition will be to persuade conservative trading corporations, P&I Clubs and insurers to be comfortable with the technologies necessary to digitise international commerce. Commercial banks seem keen to avoid the costs of large personnel-intensive departments checking paper documents. But they cannot do so without machine readable bills of lading, invoices, certificates of quality and customs documentation. All this is entirely achievable, even acknowledging the infintely variable quality conditions imposed by buyers.

46. It seems to me that what is required is some catalyst to jolt the participants in international trade into realising that paper-based transactions cannot possibly be justified in the second

quarter of the 21st century. The question is really as to what kind of catalyst is required.

Can the IJT assist with the transition to digital trade?

47. It has been suggested to me that the International Jurisdiction Taskforce (IJT) might be capable of helping the process along.

48. Seven years ago, the UK Jurisdiction Taskforce (which I chair) was created as part of the LawtechUK Panel. The UKJT has now issued six legal statements. They have covered *The Legal Status of Cryptoassets and Smart Contracts* (in November 2019),[23] the *Issuance and Transfer of Digital Securities under English Private Law* (in February 2023),[24] *Digital Assets and English Insolvency Law* (in April 2024),[25] the *Report on Control of Digital Assets* (in March 2026),[26] and the *Legal Statement on Liability for Harms caused by Artificial Intelligence under English law* (in July 2026).[27]

49. The objective of each of these legal statements has been the same. It has been to improve legal certainty and predictability in rapidly advancing technological fields, where it is likely that the courts will take time to establish authoritative precedents. The legal statements are the product of significant consultation and expert legal opinion.

50. The first legal statement on digital assets, for example, allowed commercial parties to trade in cryptoassets with some

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23 https://lawtechuk.io/ukjt/legal-statement-on-cryptoassets-and-smart-contracts/

24 https://lawtechuk.io/ukjt/legal-statement-on-digital-securities/

25 https://lawtechuk.io/ukjt/ukjt-legal-statement-on-digital-assets-and-english-insolvency-law/

26 https://lawtechuk.io/report-on-control-of-digital-assets/

27 https://lawtechuk.io/ukjt/liability-for-ai-harms-under-the-private-law-of-england-and-wales/

confidence that the UK's courts would recognise them as a species of property. That is what actually happened in the English Courts[28] and in several overseas courts. The UK legislature has now legislated to similar effect in the Property (Digital Assets etc) Act 2025.

51. In July 2025, we established also the International Jurisdiction Taskforce (the IJT) to consider how the most widely used private law systems across the world could move towards the alignment necessary to remove legal impediments to the adoption of digital assets, digital international finance and digital trade. International alignment is obviously very important for digital assets and international finance and trade, because the blockchain technologies supporting digital assets are inherently borderless.

52. In February 2026, the IJT published its first Position Paper providing a comparative analysis of the private law treatment of the legal nature and attributes of digital assets across the 7 jurisdictions then currently represented on the IJT (USA, UK, EU, France, Japan, Singapore and Australia).[29] It identified four areas for the IJT's ongoing work as follows.

53. First in relation to **Principles of "Control"**, the IJT said that it was necessary to seek a technology neutral definition of control that was compatible with both common law and civil law traditions. Secondly in relation to **Transfer, Extinguishment and Good Faith Acquisition**, the IJT suggested that it should set out baseline principles identifying when transfers are effective and the circumstances under which good faith purchasers should be protected. Thirdly, in relation to **Tokenisation**, the IJT suggested providing conceptual clarity on when a token constituted the asset itself and when it represented an underlying claim. Fourthly, in relation to **Custody and Insolvency Standards**, the IJT proposed the identification of minimum standards for client

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28 See Bryan J *AA v. Persons Unknown* [2019] EWCH (Comm) 3556 at [55]-[61] and *Tulip Trading v. Van der Laan* [2023] EWCA Civ 83 per Birss LJ at [24].

29 https://lawtechuk.io/ijt/international-jurisdiction-taskforce-resource-book/

asset segregation and custody arrangements aimed at reducing inconsistent treatment in cross-border insolvency situations.

54. The essential rationale of all this work was to identify and resolve private law impediments to the adoption of new technologies. Each of these workstreams was potentially relevant to digital trade.

55. So far as control is concerned, the MLETR requirements for exclusive control and reliable electronic systems, give rise to the need for clarity on what constitutes control of an electronic Bill of Lading where more than one private law may apply. The work on transfer and good faith acquisition has relevance to the validity of transfer, indorsement and novation of eBLs across various private law jurisdictions. Likewise, tokenisation of eBLs remains a problematic question in many private law systems, having a potentially direct effect on the validity of operating DLT-based trade document platforms. Finally, the insolvency work has relevance to the rights of cargo owners on the insolvency of eBL platform providers.

56. It is possible, therefore, that the IJT might create a catalyst for paperless digital trade by, for example, publishing a legal statement dealing with some of these potential legal impediments to the validity of paperless digital trade.

57. As I said earlier, some have suggested that the involvement of trading parties from jurisdictions that have yet to enact UNCITRAL's MLETR creates a problem. I do not see why it should and an IJT legal statement might conclude that it could clarify that question.

58. The IJT is independent of trading parties, banks and insurers, which is important. It is a body of jurists and legal experts from the main private law jurisdictions around the trading world. It might meet the trust deficit by its independence and legal stature. The objective would be to provide trust and commercial confidence in place of doubt, and to encourage trade participants to progress more rapidly to that world of paperless trade.

59. One thing is clear. None of this can be achieved without international collaboration in general and international legal collaboration in particular. The challenge is to bring so many interest groups together on a path towards changing long-established practices that are now costly and outdated.

Conclusions

60. I have long believed that the law needs to be an enabler for commercial people. It is often seen instead as an impediment or an unwarranted cost centre. It is, perhaps, surprising that, in the age of ever-more capable AI, where everything is changing at what some regard as an alarming pace, paperless digital trade is elusive.

61. Legal uncertainty, in my experience, is a greater impediment to change than many imagine. The success of the UKJT's legal statements has surprised me. I believe they have gone a long way towards smoothing a path towards adoption of digital transacting under English law.

62. It is possible, I think, that the IJT might be able to play a catalytic role in accelerating the uptake in digital trade. Concerns about legal uncertainties can slow down the adoption of new technologies very significantly. That is, at least, part of what we are seeing with digital paperless trade and streamed data.

63. Lawyers in the banking and financial services industry can play their parts too. We need to work together to create the conditions in which we can make trading dependence on paper a thing of the past.

64. I look forward to your questions.

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