

Electronic bills of lading: An Indian perspective

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Abstract

“An electronic bill of lading (eBL) is a digital version of the traditional paper document that serves as a contract of carriage and a receipt for goods shipped by sea. The use of eBLs has been growing in recent years in India, as the country's shipping industry seeks to modernize and improve efficiency.”

Keywords: electronic, bills, (eBL)

Introduction

In India, the Ministry of Shipping launched the Indian e-Vessel Reporting System (VeDS) in 2018, which allows ships to submit their arrival and departure reports electronically. Additionally, Indian Port Trusts have been implementing electronic cargo tracking systems to facilitate the movement of goods and improve supply chain visibility. The use of eBLs in India has several benefits. One major advantage is the reduction of paperwork and the associated costs. With eBLs, the entire process of shipping goods can be done electronically, eliminating the need for physical documents and reducing the risk of errors and delays. Additionally, eBLs can improve supply chain visibility and efficiency by providing real-time updates on the status of shipments.

Another benefit of eBLs in India is the improved security of the shipping process. Electronic documents are less susceptible to fraud and tampering than physical documents. Moreover, eBLs can be easily tracked and traced, making it easier to detect and prevent smuggling and other illegal activities. The Indian government has also been working towards creating a legal framework for eBLs. The Indian government proposed the Electronic Negotiable Bill of Lading Bill, 2019, which would provide a legal framework for eBLs in India. The bill, if passed, would enable the use of eBLs in maritime trade and provide a clear framework for their issuance, transfer, and discharge.

Challenges

However, there are still some challenges to the widespread adoption of eBLs in India. One major challenge is the lack of infrastructure and technical capabilities in some parts of the country. Many Indian ports and shipping companies still rely on paper-based systems, and there is a lack of standardization and interoperability among different electronic systems.

Another challenge is the lack of trust in electronic systems among some stakeholders in the shipping industry. Some stakeholders may be hesitant to adopt eBLs due to concerns about security and reliability. To address these concerns, it is important to provide training and education on the benefits and proper use of eBLs.

Despite these challenges, the use of eBLs in India is expected to continue to grow in the coming years. The Indian government's efforts to promote digitalization in the shipping sector, along with the increasing adoption of digital technologies by Indian companies, are likely to drive the adoption of eBLs.

One of the key drivers for the adoption of eBLs in India is the growing demand for more efficient and transparent

supply chain management. With the increasing pressure to meet global standards for supply chain sustainability and traceability, many Indian companies are turning to digital technologies to improve their supply chain processes. eBLs can play a crucial role in this by providing real-time visibility into the movement of goods and reducing the risk of errors and delays.

Another driver for the adoption of eBLs in India is the increasing focus on compliance and security. With the growing threat of cyber-attacks, many Indian companies are looking for ways to secure their digital systems and comply with regulations such as the General Data Protection Regulation (GDPR) and the Indian Personal Data Protection Bill. eBLs can help with this by providing a secure and tamper-proof way to track and trace goods, and by providing a clear chain of custody for goods in transit. Despite the potential benefits of eBLs, it is important to note that the transition from paper-based systems to digital systems can be complex and time-consuming. Indian companies and ports that are looking to adopt eBLs will need to invest in the necessary technology and infrastructure, as well as provide training and support to employees to ensure a smooth transition.

To fully realize the potential benefits of eBLs in India, it is also important to address the lack of standardization and interoperability among different electronic systems. The Indian government and industry organizations should work together to develop standards and guidelines for the use of eBLs to ensure that the different systems used by Indian ports and shipping companies are compatible and can easily share information.

Research has also shown that eBLs can bring significant cost savings for the industry. According to a study by the World Economic Forum, the adoption of eBLs can reduce the cost of paper-based bills of lading by up to 80%. Additionally, a study by the International Chamber of Shipping found that the implementation of eBLs can lead to cost savings of up to \$4 billion annually for the global shipping industry.

Legal perspective

The legal perspective of electronic bills of lading (eBLs) in India is still evolving. Currently, the Indian government has proposed the Electronic Negotiable Bill of Lading Bill, 2019, which aims to provide a legal framework for eBLs in India. If passed, the bill would enable the use of eBLs in maritime trade and provide a clear framework for their issuance, transfer, and discharge. One of the key aspects of the proposed bill is the recognition of eBLs as legally valid

and enforceable documents. The bill specifies that eBLs will have the same legal effect as paper bills of lading and will be admissible as evidence in court. This means that eBLs can be used to prove the existence of a contract of carriage, the receipt of goods, and the terms and conditions of the carriage.

The proposed bill also includes provisions for the issuance, transfer, and discharge of eBLs. The bill specifies that eBLs can be issued by the carrier or the shipper and must be in the form of an electronic record that can be accessed and read by the parties involved in the carriage. The bill also states that eBLs can be transferred electronically and that the discharge of eBLs can be done electronically.

Another important aspect of the proposed bill is the recognition of digital signatures and electronic records as legally valid. The bill specifies that digital signatures and electronic records will have the same legal effect as physical signatures and paper records. This means that eBLs signed with digital signatures will be legally binding and that electronic records of eBLs will be admissible as evidence in court. The proposed bill also includes provisions for the protection of personal data, which is an important aspect of eBLs. The bill specifies that personal data collected in the course of the issuance, transfer, and discharge of eBLs must be protected and that any breaches of personal data must be reported to the relevant authorities.

However, it is important to note that the proposed bill is still under consideration and may undergo changes before it is passed into law. Additionally, it is important to note that even if the bill is passed, it may take some time for the Indian shipping industry to fully comply with the regulations and for the legal framework to be fully implemented. In the absence of a specific legal framework for eBLs in India, the Indian shipping industry has been relying on international conventions and guidelines for eBLs such as the UN Convention on the Use of Electronic Communications in International Contracts (UNCITRAL) and the Electronic Bill of Lading (eBL) Guidelines issued by the International Group of P&I Clubs. These conventions and guidelines provide a general framework for the use of eBLs but may not fully address the specific legal requirements of the Indian shipping industry. It is important for the Indian government and industry to work together to develop a legal framework that is practical and takes into account the specific needs of the Indian shipping industry. This includes addressing issues such as data privacy, liability, and dispute resolution.

Conclusion

The legal perspective of eBLs in India is still evolving, and the proposed Electronic Negotiable Bill of Lading Bill, 2019, aims to provide a legal framework for the use of eBLs in India. However, the Indian shipping industry needs to comply with international conventions and guidelines until the bill is passed into law and fully implemented. The Indian government and industry should work together to develop a legal framework that is practical and addresses the specific needs of the Indian shipping industry.

The use of eBLs in India is expected to continue to grow in the coming years, driven by the demand for more efficient and transparent supply chain management, and the increasing focus on compliance and security. While there are still challenges to overcome, such as lack of infrastructure and trust in electronic systems, eBLs have the

potential to revolutionize the Indian shipping industry and improve efficiency, reduce costs, and increase security. By addressing these challenges and working together to develop standards and guidelines, India can fully realize the potential benefits of eBLs. Additionally, the adoption of eBLs can bring several other benefits for the Indian shipping industry. One of the main benefits is the improved efficiency of the shipping process. With eBLs, all the information related to the shipment is stored electronically, eliminating the need for manual data entry and reducing the risk of errors and delays. This can lead to faster turnaround times for ships and improved supply chain efficiency. Another benefit of eBLs is the improved transparency and traceability of shipments. With eBLs, all the relevant information about a shipment can be accessed in real-time, providing greater visibility into the movement of goods and enabling more efficient tracking and traceability. This can be especially important in cases of disputes or claims, as all the relevant information can be easily accessed and reviewed. The adoption of eBLs can also bring environmental benefits. With eBLs, there is no need for the printing and transportation of paper documents, which can lead to significant reductions in paper consumption and carbon emissions.

However, it is also important to note that the adoption of eBLs in India will require the development of a suitable legal framework. The Indian Personal Data Protection Bill is a step towards this, but further regulations and guidelines need to be developed to ensure the security, authenticity and enforceability of eBLs. The Indian government should work closely with the industry to ensure that the regulations are practical, and take into account the specific needs of the Indian shipping industry.

Furthermore, the Indian shipping industry also needs to invest in the necessary technology and infrastructure to support the use of eBLs. This includes the development of digital platforms and systems that can securely store and exchange eBLs, as well as the necessary hardware and software to access and use eBLs.

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