

## **Commerzbank and LBBW have set a new milestone in the digitalisation of commercial transactions based on blockchain technology in cooperation with Logwin**

### **Logistics partner on board: the Marco Polo Network and Logwin have executed a real-time pilot transaction for the first time**

LBBW and Commerzbank have once again executed a trade transaction between Voith and KSB SE, via the Marco Polo trade finance network, built on R3's distributed ledger technology (DLT) platform, Corda. This time, besides the two companies involved, logistics provider Logwin AG was incorporated into the digital process chain – directly, and in real time. This represents a milestone in the expansion of the digital trade finance ecosystem.

In the transaction, order and delivery data were agreed upon between the companies via the international Marco Polo trade finance network. Payment terms were secured by an irrevocable payment commitment, triggered through automated matching of trade data. For the first time, automatic matching of trade data was achieved with involvement of the executing logistic provider, in this case Logwin, which entered the relevant transport details directly into the network.

An important objective of the Marco Polo network is to obtain all trade data necessary for a transaction as directly as possible, from the original data source. This also includes external third parties such as logistic providers. The data transfer for this transaction was executed via the DLT platform simultaneously to the settlement of the real trade transaction.

Gerald Böhm, Head of Guarantees and Trade Finance at Voith, said: “For the first time, we have processed the purchase and delivery of special hydraulic couplings from Germany to Taiwan using blockchain technology. We executed this transaction with KSB, the leading pump and valve manufacturer, via the Marco Polo network. We are delighted that this pilot transaction marks a further important milestone in the development of Distributed Ledger Technology for more efficient trade finance processes.”

“Now, an independent third party – in our case the logistics provider – is able to trigger a payment obligation in favour of the supplier. This significantly enhances the value of the payment commitment”, explained Matthias Heuser, Head of International Trade and Payment Solutions at LBBW.

“As a buyer, together with our bank we can ensure that the payment commitment becomes effective only if the goods are actually in the hands of the logistics provider, and on their way to the delivery destination”, explained Ralf van Velzen, Head of Export Financing at KSB SE & Co. KGaA.

"For Logwin, participation in the real-time transaction with parallel data transfer has shown just how much potential there is in the DLT technology – how it helps to significantly simplify and accelerate the processes – on the part of the logistics partners as well as their customers", confirmed Managing Director Lars-Erik Poths and Key Account Manager Konstantin Wunsch at Logwin Air + Ocean Deutschland GmbH.

"The goal for future development is to expand the Marco Polo network, bringing additional relevant parties for trade transactions on board – such as insurance companies, inspection authorities, local chambers of commerce, etc. In this way, the entire supply chain can swiftly and digitally be mapped", added Enno-Burghard Weitzel, Commerzbank's Global Head of Trade Finance Products.

**About Logwin AG**

Logwin AG (Grevenmacher, Luxembourg) provides efficient logistics and transport solutions for its customers from industry and trade. In 2018, the group generated sales of EUR 1.1bn and currently employs about 4,400 staff. Logwin operates in all main markets worldwide and has around 190 locations on six continents. With its two business segments Solutions and Air + Ocean, Logwin AG is one of the leaders in the market.

Logwin AG is listed in the Prime Standard of the Deutsche Börse. The majority shareholder is DELTON Logistics S.à r.l., Grevenmacher (Luxembourg).

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