

Commodity traders, energy majors and banks join forces to create a blockchain-based digital platform for the energy commodity trading industry

London, Geneva, Amsterdam, Stavanger, November 6, 2017 – In a unique collaboration, several of the world's largest trading houses, integrated energy companies and banks intend to create and invest in a new venture, which will be managed and operated as an independent entity. The new venture will develop a blockchain-based digital platform intended to modernise and transform post-transaction management of physical energy commodities trading, pending relevant regulatory approvals.

The consortium participants are companies from: energy majors BP, Shell and Statoil; trading houses Gunvor, Koch Supply & Trading, and Mercuria; and banks ABN Amro, ING and Societe Generale.

By combining the expertise of some of the largest players in energy and commodity trading with the trade finance credentials of established banks in this space, the new venture will benefit from its shareholders' ability to implement projects, as well as their first-hand understanding of the operational and process opportunities that digitalisation presents.

The new venture seeks to create a secure, real-time blockchain-based digital platform to manage physical energy transactions from trade entry to final settlement. The platform will be open to the commodity industry and designed and stress-tested by its investors who constitute a key segment of its user base. The intent is to move away from traditional and cumbersome paper contracts and operations documentation to secure, smart contracts and authenticated transfers of electronic documents. The platform aims to reduce administrative operational risks and costs of physical energy trading, and improve the reliability and efficiency of back-end trading operations for all supply chain users, while also opening the door to innovative funding and financing solutions.

Over time, the new venture intends to lead the migration of all forms of energy transaction data to the blockchain, improving data quality, further strengthening security and increasing the speed of settlements industry-wide, while reducing the cost for industry participants.

The platform is expected to be operational by the end of 2018.

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