



LLOYDS BANK

PRESS RELEASE

Lloyds Bank completes first digital trade transaction under new UK legislation

Lloyds Bank has completed what it believes to be the first transaction under the UK's new Electronic Trade Documents Act (ETDA) which came into force today [20 September 2023].

The ETDA gives electronic Bills of Exchange, Bills of Lading and other commercial documents the same legal footing as paper documents. The legislation is designed to give UK businesses and participants in the 60-80% of trade transactions worldwide that are subject to English law, more flexibility in how they trade. The Act will also significantly reduce the environmental impact that paper documentation has, while reducing the cost and time taken to conclude international trade transactions.

Lloyds Bank completed the transaction for Matalan Retail Ltd via Enigio's *trace:original* solution. A digital promissory note was issued by Matalan to accept liability when settling a documentary collection for the purchase of garments from one of its suppliers. Through the technology, the key documents arrived two days earlier than they would have, if the promissory note had been concluded on paper.

Gwynne Master, Managing Director, Lending and Working Capital, Lloyds Bank, said: "This new legislation is a turning point for a cheaper, faster, and more sustainable global trading system. We've spent many years working with industry, government, suppliers, and clients to find ways to support the transition to digitisation, and we are pleased to be spearheading the practical implementation of the Act."

Ed Collier, Head of Financial Reporting & Control at Matalan, said: "We are proud to have played our part in Lloyds' first ever transaction under the ETDA. We welcome this move to digitisation as it will allow us to trade with our suppliers faster, more seamlessly and in a more sustainable way."

Patrik Zekkar, CEO of Enigio, said: "This historical landmark transaction evidences a new era of trade and trade finance, where legislation and technology now truly work hand-in-hand and we are delighted that our *trace:original* solution has been at the heart of it. Unlike other digital trade solutions that require all parties to subscribe to digital platforms, *trace:original* only requires the party creating the document to be an Enigio user, directly or by proxy, therefore making it easier for businesses to make the switch to digital."

Chris Southworth, Secretary General, International Chamber of Commerce, UK said: "Business surveys consistently say that a third of small companies see paper and red tape as a barrier to trade. There are now no legal requirements for paper in trade transactions which – as well as removing all the associated



bureaucracy – presents a once-in-a-generation opportunity to bring the trading system into the 21st century and use technology more effectively.”

Enigio’s *trace:original* solution removes the need to physically transfer actual notes. It enables the creation of digital documents that can be ‘possessed’ by an individual, transferred between parties and originals can be distinguished from copies, just like paper-based counterparts. This means digital documents can be used in processes where an ‘original’ document is required. Unlike other digital trade solutions that require all parties to subscribe to digital platforms, *trace:original* only requires the party creating the document to be an Enigio user.

Lloyds Bank’s work with Enigio is part of its ongoing digital strategy and paperless trade initiative and follows its successful completion in August 2022 of the [UK’s first transaction utilising a digital promissory note purchase](#).

Earlier this year (February 2023), Lloyds Bank also shared its learnings and experience in electronic payment undertakings (ePUs) under the Digital Negotiable Instrument Initiative (DNI), to help fintech group Mercore complete the UK’s first digital Bill of Exchange transaction, which was also executed through *trace:original*.

On the 18th September 2023, Lloyds Bank announced it [has invested €3 million in Enigio](#) to help expand and accelerate the use of digital documentation in trade.

Ends

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Notes to editor:

- At the time of announcing, Lloyds Bank conducted its own desk research to confirm it was the first company to complete a transaction when the ETDA became law.

About Lloyds Bank’s support for businesses

- Lloyds Bank provides comprehensive expert financial services for businesses of all sizes, from start-ups, SMEs, and mid-sized corporates all the way to large multinational corporations and financial institutions. It has over one million UK business customers.
- With a network of relationship teams across the UK, Lloyds Bank delivers the mix of local understanding and sector expertise necessary to provide long-term support to its clients.
- Lloyds Bank offers broad range of financial support beyond term lending and this spans, working capital and cash management services and solutions, international treasury and risk management services, trade import and export trade finance, structured and asset finance, securitisation facilities and capital market funding.