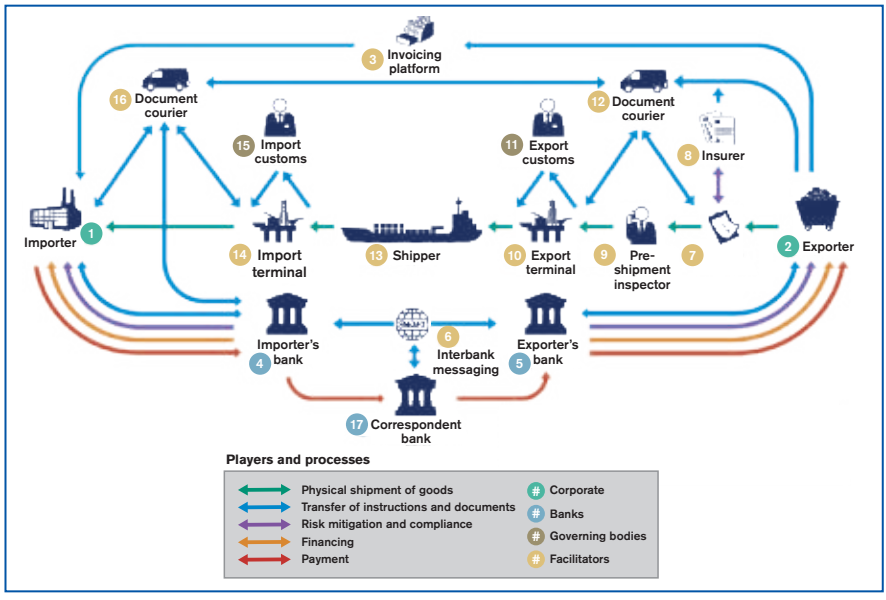
20 documents, creating approximately 5,000 data field interactions (see Figures 6 and 7). Only 1 per cent of these interactions creates value, with 85 per cent to 90 per cent of the transactions consisting of "ignore/transmit to the next party" actions (Boston Consulting Group, 2017).

The system is costly and has led banks and companies like essDocs and Bolero to explore how trade finance processes could be digitalized. Efforts have so far focused on digitalizing payments and information, essentially via scanned PDF documents. They have done little, however, to digitalize the transactions themselves and to mitigate the risks associated with trade (Castell, 2018). The transparent and secure nature of Blockchain has raised hopes and led an increasing number of banks to explore how Blockchain could help automate the process, improve efficiency of transactions and enhance security.

Various proofs of concepts have been developed in the course of the last few years to streamline and automate letters of credit processes, and blockchain applications in this field are now moving towards commercial application. In September 2016, Barclays and fintech startup Wave reported having conducted the first live blockchain-based trade finance deal (Barclays, 2016). The transaction, conducted

Figure 6 **The traditional trade finance process is highly fragmented across multiple entities and processes**



Source: Boston Consulting Group (2017).