involved in supply chain financing transaction, by expediting the processes and lowering the overall costs of financing programmes (Hofmann, Strewe and Bosia, 2017). These initiatives open particularly interesting opportunities for micro, small and medium-sized enterprises (MSMEs), which often struggle to obtain trade financing because of lack of sufficient collateral or poor or non-existent credit history. By giving financiers greater visibility into the supply chain cash flow and the credit history of companies, Blockchain can facilitate KYC processes and ease MSMEs' access to affordable finance.[9]

The use of blockchain technology for trade finance operations has also raised the interest of monetary authorities. In March 2017, the Hong Kong Monetary Authority unveiled a trade finance platform using blockchain technology (Perez, 2017), and the Monetary Authority of Singapore is working with the IBM Center for Blockchain Innovation to develop applications and solutions using Blockchain to improve the efficiency of trade finance processes and transactions (IBM, 2016). In November 2017, they both announced a joint project to develop a global trade connectivity network, a blockchain-based cross-border infrastructure to digitalize trade and trade finance between Hong Kong (China) and Singapore. Over time, the aim is to expand the network to the region and the globe. The platform is expected to go live in early 2019. China's central bank is also spearheading a trade finance platform to provide supply chain finance across the Guangdong, Hong Kong (China) and Macau (China) bay area, with the aim of helping small and medium-sized enterprises access trade finance. The platform entered the testing phase in Shenzhen in September 2018 (Huillet, 2018a).

The hype is real, but some remain sceptical in light of the fever that surrounded the bank payments obligation (BPO) a few years ago. Launched in 2013 by SWIFT, BPOs are conditional payment guarantees given by one bank to another. Unlike letters of credit, which are paper-intensive, BPO uses electronic data-matching to facilitate payments between an importer's bank and an exporter's bank. When it was launched, BPO was praised as a new and revolutionary way to optimize trade finance flows. Although quicker and cheaper than letters of credit, BPOs have only been used on a limited scale. Various reasons have been invoked for this lack of interest: each party to the transaction had to be BPO-enabled, investing in the technology could be costly, and moving to BPO required an overhaul of traditional and well-established processes and a change in culture.

Does Blockchain have better chances to succeed than BPOs? Opinions are split, in particular when it comes to letters of credit. Some observers note, for example, that the most serious source of fraud in letters of credit relates to the issuance of false documents rather than tampering with documents, an issue that Blockchain cannot solve, as the technology cannot prevent false information from being fed into the ledger (Takahashi, 2018). Checking documentation will, therefore, remain necessary.