

Electronic Bills of Lading for China-Bound Shipments

A practical guide for Banks, Commodity Traders, and Shipowners

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This paper is intended for operational and commercial teams in commodity trade finance. It summarizes relevant legal developments and explains how Secro addresses them in practice. It is not legal advice. Lawyers and compliance officers are encouraged to contact Secro or their own counsel for jurisdiction-specific guidance.

Part I - Executive Summary and Practical Guidelines

China has rewritten its Maritime Code for the first time since 1993. The revised Code takes effect on 1 May 2026. Three changes matter immediately for anyone handling bills of lading on China trades.

First, electronic bills of lading are now expressly recognized in China. Qualifying electronic transport records, including transferable records, have the same legal effect as transport documents under Chinese law, subject to the statutory conditions in Articles 82-85 and any applicable administrative rules. This substantially reduces the legal uncertainty around using eBLs on China import or export trades.

Second, Article 295 now mandatorily applies Chapter IV of the Chinese Maritime Code to international sea carriage contracts where the port of loading or discharge is in China. In Chinese-court proceedings on such contracts, Chinese maritime law is therefore expected to govern the carriage issues covered by Chapter IV notwithstanding contrary governing-law wording in the bill of lading. The practical interaction of this rule with foreign jurisdiction and arbitration clauses should still be assessed case by case.

Third, the main open regulatory point for negotiable eBLs is no longer recognition in principle, but the pending CAC/MoT secondary regulation on 'reliable methods or reliable trading systems' under Article 85. Secro's interoperability arrangement with GSBN and IQAX is designed as a mitigation strategy against that future regulatory risk. This is explained in Part III.

Practical Guidelines - Read This First

For documentary execution teams in banks

- A Secro eBL can now be used on China trades within the new statutory framework for electronic transport records. For negotiable use cases, that conclusion remains subject to the statutory conditions in Articles 82-85 and the pending CAC/MoT criteria for 'reliable' systems.
- If you hold a qualifying Secro eBL and the Carrier misdelivers at a Chinese port, Art. 87(iv) provides that delivery is to the holder of the electronic transport record. That materially strengthens the legal position of the holder.
- If your BL states freight prepaid, Art. 94 provides that the Carrier may not retain the goods for unpaid freight, unless the consignee is the shipper.

- The one open point remains the secondary regulation defining what constitutes a 'reliable system' for negotiable electronic transport records. Secro's interoperability arrangement with GSBN and IQAX is the current mitigation strategy, not a substitute for the forthcoming Chinese criteria. We will update clients when the regulation appears.

For commodity traders' transaction execution teams

- You can use a Secro eBL on bulk and break-bulk imports to and exports from China within the new statutory framework for electronic transport records. The document class is now legally recognized, and delivery against a transferable electronic transport record is addressed in Article 87(iv).
- If your counterparty is a Chinese Consignee and a dispute arises, plan on a material risk that a Chinese court will apply Chapter IV of the Chinese Maritime Code to the carriage issues on a China-port voyage. Ensure your Carrier has appropriate P&I cover and that your trade finance structure accounts for Chinese-court enforcement risk.
- Cargo damage and short delivery claims remain the most common disputes on bulk trades arriving in China. A Secro eBL does not change that dispute pattern; it places the document within a statutory Chinese framework.

For shipowners' operations teams

- If your vessel calls Chinese ports, a Chinese Consignee holding a transferable electronic transport record has a strong basis to pursue cargo claims in China, and a Chinese court is expected to apply Chapter IV of the Chinese Maritime Code to the carriage issues on a China-port voyage. Do not assume that foreign governing-law wording alone will displace that outcome.
- Delivery against a Secro eBL at a Chinese port is governed by Art. 87(iv): deliver to the holder of the electronic transport record. Brief your port agents accordingly before the vessel arrives.
- If cargo is uncollected at the Chinese discharge port, Art. 93 makes the shipper the default bearer of the resulting costs and risks. But if the consignee has already exercised rights under the contract and then delays or refuses delivery, the consignee bears those costs and risks. Notify the shipper promptly and assess whether the consignee-rights exception applies.

Part II - China Maritime Code 2025: What Changed and Why It Matters

2.1 eBL Legal Recognition

Articles 82–86 introduce a dedicated section on electronic transport records for the first time, drafted with direct reference to the UNCITRAL Model Law on Electronic Transferable Records (MLETR) - the same international standard that underpins Secro's platform. Key points:

- A qualifying negotiable electronic transport record can have the same legal effect as a paper BL. A court cannot refuse to recognize it simply because it is electronic.
- Both transferable (negotiable) and non-transferable (Sea Waybill equivalent) electronic transport records are covered.
- Carrier and Shipper must agree to use eBL - it cannot be imposed unilaterally. In practice, eBL terms need to be in the Charter Party, voyage fixture, or confirmed booking.
- Conversion between eBL and paper BL is permitted by mutual agreement. Once converted, the original is invalid.

To remember: eBLs on China import and export trades are no longer a legal grey area. From 1 May 2026 they have a statutory framework and defined legal recognition in principle, although negotiable-platform compliance still depends on the Article 85 conditions and forthcoming secondary rules.

2.2 The Reliable System Standard - Required but Still Pending

For negotiable eBLs, Art. 85 requires availability through a 'reliable method or reliable trading system' guaranteeing uniqueness, integrity, and exclusive holder control - the same functional requirements as MLETR. However, the specific criteria defining a 'reliable system' are delegated to a joint regulation by the Cyberspace Administration of China (CAC) and the Ministry of Transport (MoT). That regulation has not yet been published.

To remember: until the CAC/MoT regulation is published, there remains regulatory uncertainty as to how transferable eBL platforms will demonstrate compliance with the 'reliable system' standard under Chinese law. Non-negotiable electronic transport records (Sea Waybill equivalents) are immediately operative without this additional standard. The regulation is expected soon.

2.3 Governing Law - The Art. 295(2) Mandatory Rule

Article 295(2) mandatorily applies Chapter IV of the Chinese Maritime Code to international sea carriage contracts where the port of loading or discharge is in China. The authoritative legislative explanation supports treating this as a mandatory rule, not merely a default parties can contract around.

In plain terms: if cargo arrives in China and a dispute is filed in a Chinese court, Chapter IV of the Chinese Maritime Code is expected to apply to the carriage issues it governs regardless of contrary governing-law wording in the BL. The exact interaction with foreign forum and arbitration clauses should still be assessed case by case.

2.4 The Consignee-Carrier Dynamic - Why Chinese Courts Are a Key Enforcement Forum

A cargo claim under BL is usually a claim by the holder against the Carrier. In bulk and break-bulk imports to China, the holder at destination is typically a Chinese Consignee - a commodity trader, processor, or state-owned enterprise. The combination of Art. 295(2) and the practical reality that many bulk and break-bulk carriers regularly call Chinese ports gives that consignee a significant enforcement lever in China.

PRC courts have historically been reluctant to give effect to foreign law and forum wording in bills of lading, and Article 295 strengthens the Chinese-law position on China-port carriage contracts. That said, the precise interaction between Article 295 and foreign forum or arbitration clauses still needs case-by-case assessment. The practical consequence is that, for China-import bulk and break-bulk trades, Chinese-court enforcement risk should be treated as a central operational assumption, not a remote exception.

Where the BL holder is a foreign bank rather than a Chinese Consignee, the dynamic is different. The bank would typically enforce its rights in an English or Singapore court under the BL governing law - and that governing law applies cleanly in those proceedings. This is the scenario where Secro's English or Singapore law framework works without qualification.

2.5 What Chinese Courts Will Actually Assess - The Art. 84 Four-Condition Test

When a Secro eBL is presented in Chinese proceedings, one core question will be whether it satisfies the four conditions in Art. 84: content completeness and accuracy, retrievability, issuer identifiability, and holder identity verifiability. These are functionally aligned with MLETR concepts, but Chinese courts will apply the Chinese statutory test.

Part III - How Secro Addresses These Requirements

3.1 Platform Compliance with Art. 84

Secro's platform was built to MLETR standards from inception. The four Art. 84 conditions - completeness and accuracy, retrievability, verifiable issuer identity, and verifiable holder identity - map directly onto Secro's core architecture and are met by design.

3.2 The Reliable System Gap - The Secro-GSBN-IQAX Interoperability Triangle

The most significant open regulatory question is what the CAC/MoT secondary regulation will ultimately require for 'reliable methods or reliable trading systems' under Article 85, including any China-facing licensing, access, or infrastructure criteria. Secro's response is a structured interoperability triangle intended to mitigate that risk:

- Secro - eBL issuance platform operating under MLETR-aligned architecture and English or Singapore law governing framework. Secro issues and manages the eBL through its standard workflow.
- GSBN (Global Shipping Business Network) - neutral cross-platform control tracking layer. GSBN maintains the chain of custody and exclusive control record across platform boundaries, ensuring uniqueness and integrity of the eBL are demonstrable throughout its full lifecycle including across any platform handoff.
- IQAX - Hong Kong-based eBL platform with established presence and operational relationships in the Chinese market. Where a Secro eBL needs to be presented, transferred, or delivered within the Chinese market environment, IQAX provides the China-accessible interface.

In operational terms: Secro issues the eBL. If China-market presentation is required - at a Chinese discharge port or with a Chinese Consignee - the eBL is transferred through GSBN's interoperability layer to IQAX. GSBN maintains the exclusive control record across the handoff. IQAX handles the China-facing presentation and delivery. The eBL governing law remains Secro's; the China-market interface is IQAX's; the integrity and control chain is maintained throughout by GSBN.

If the CAC/MoT regulation introduces a China-platform requirement, the Secro eBL may be capable of being presented through IQAX's infrastructure as part of a compliant China-facing workflow, without Secro itself operating Chinese-domiciled systems. Whether that would satisfy the final Chinese criteria cannot be known until the regulation is published.

To remember: no workflow change is necessarily required today. The Secro-GSBN-IQAX arrangement is a background interoperability mitigation. When the CAC/MoT regulation is published, Secro will advise on any steps needed. Secro eBLs on China trades now benefit from statutory recognition in principle, but the final Chinese 'reliable system' criteria remain open.

3.3 The One Remaining Open Point

The content of the CAC/MoT secondary regulation on reliable system criteria remains open. Secro monitors this actively and will communicate any implications to clients when the regulation is published. Lawyers reviewing this paper are encouraged to contact Secro directly for the most current regulatory status and for jurisdiction-specific analysis of their trade structures.

References

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For further information contact Secro Inc - www.secro.io | This paper reflects the law as of 1 May 2026. It will be updated when CAC/MoT secondary regulations are published. It does not constitute legal advice.