



Physical Refined Products Trade

Blockchain pilot digitalizes transaction from trade inception through settlement and invoicing

Deloitte is working with several oil & gas industry leaders to pilot a physical commodity blockchain solution. The objective is to digitize the blockchain data from all participants involved in a physical commodity transaction from trade inception through settlement and invoicing. The specific use case we are developing is a diesel product trade within the ARA market involving two refined product traders, a terminal operator, barge owners, and inspection companies. All critical financial data required to settle the transaction will be available through our permissioned blockchain solution.

The current process for handling a physical refined products trade has numerous manual steps where documents are emailed, faxed, or postal mailed between counterparties. The same information may have to be entered into several different systems; data reconciliation can be complex and time consuming. Blockchain's distributed ledger capabilities can reduce the amount of time spent reconciling price and volume differences among trade participants by making the same data available to all parties at the same time. In addition, the solution can help reduce transaction security risks associated with emailing documents.

Deloitte's oil & gas industry blockchain solution is designed to:



Help traders realize efficiency gains and experience fewer errors in scheduling and completing a trade.



Give operators and schedulers a more automated exchange of data between their company and the barge owners, terminal operators, and inspection companies.



Enable faster access to data and shortened lead times by digitalizing key documents on the blockchain.



Improve back-office invoicing and settlements and potentially shorten the working capital cycle.



Support new business models as blockchain technologies improve transparency and liquidity around certain assets.