Loans tokenization

> *The solution dramatically reduces the time, costs and complexity entailed in novation – the conversion of a debt into a debenture – by automating key processes and reducing the risk of counterfeiting by means of blockchain-powered smart contracts.*

Problem

Major metals companies must simultaneously deal with a large number of contractors. A company's treasury service is one of the divisions involved in operational cash flow management, interacting with other market participants.

Often, situations arise when a treasury service offers contractors conversion of a debt emerging from a sales or rent deal into a debenture. This is called novation and is governed by article 818 of Russia's civil code.

Currently, novation involves the issuance of a paper contract. Meanwhile, paper document flow entails he following issues:

- High labor costs of creation and execution control of debt obligations
- Risk of loss or counterfeiting of paper documents
- Low speed of operations involving paper documents

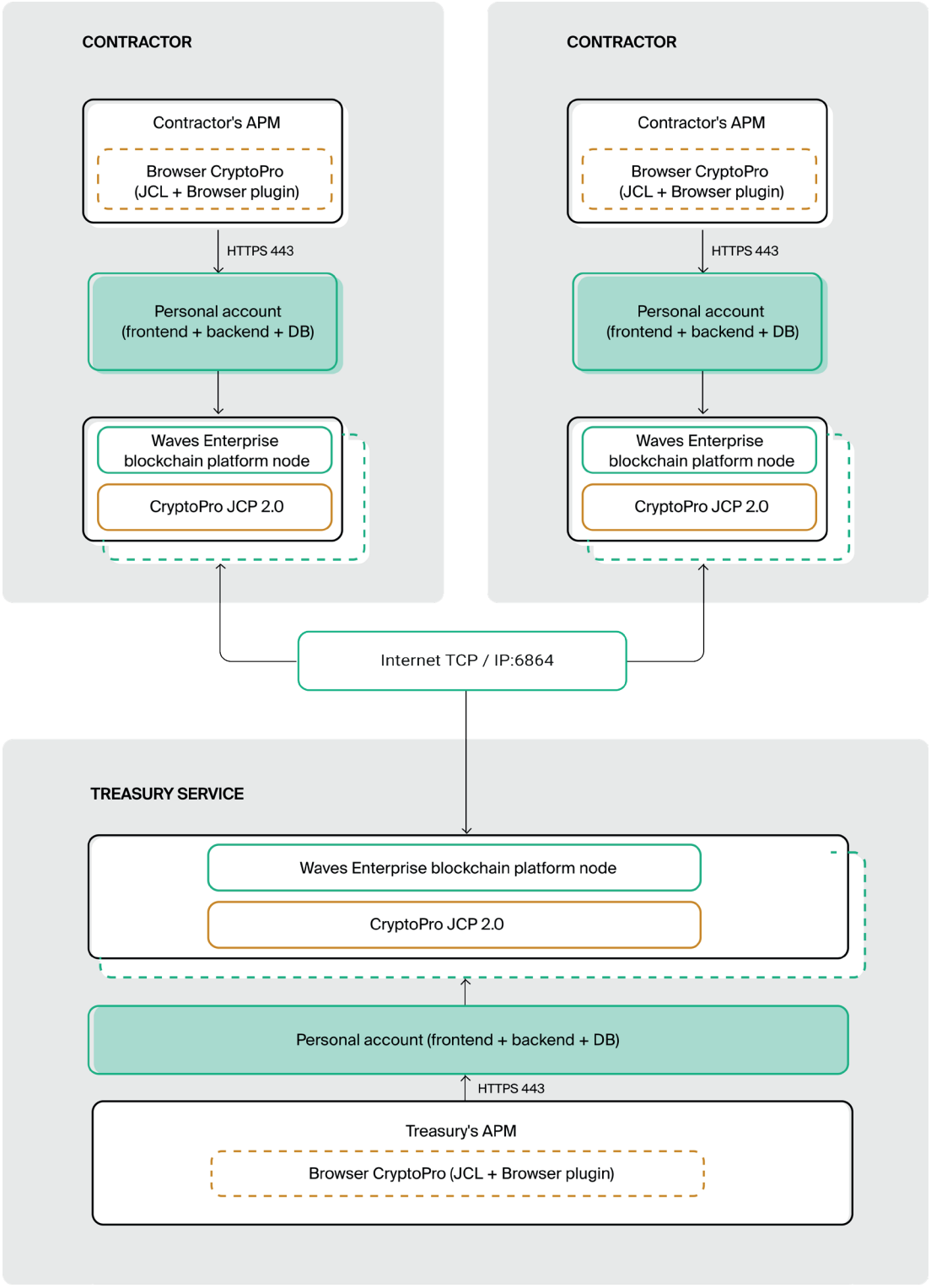
Solution

An automated system based on the Web3 Tech platform has been created. Unlike the current procedure of treasury services' interaction with contractors, in which a paper debt bill is issued and transferred to a contractor, treasury employees can run a digital document flow in the system's account for the conversion of contractors' debts into debentures.

The E-Loan system combines digital document flow, a distributed data storage registry and distributed transparent business logic executed by smart contracts.

The system's decentralized architecture facilitates transparency and reliability of mutual payments between participants, as well as fail safety for the entire system.

All operations for debt novation into a debenture with subsequent digitalization and repayment are controlled by smart contracts that ensure the observance of all conditions written into them.



Business value

Implementation of the system's business logic by blockchain-based smart contracts facilitates substantially reduced transaction processing costs, ensuring full transparency and confidentiality of transactions.

- All data is stored on the blockchain and is accessible to system participants in accordance with their access rights.