

# COMMERCIAL PROPOSAL

## Uninterrupted International Settlements for the Oil & Gas Sector (1CAD Protocol)

To: Executives of oil and gas enterprises, exporters and importers of petroleum products, independent traders, and bunkering companies.

From: EXCH Consulting LLC (Wyoming, USA) under the auspices of the International Digital Asset Association (IDAA).

### THE CHALLENGE

The global energy market faces unprecedented pressure:

- Stringent banking compliance requirements
- Frozen SWIFT correspondent accounts by Tier-1 banks
- Constantly changing sanction packages and tariff barriers
- Settlement delays causing vessel demurrage and commercial losses

Traditional letters of credit involve 0.5-2% fees plus confirmation charges, amendment costs, and multi-week processing times.<sup>1</sup> Traders face monumental losses due to cargo delays caused by payment system friction.

### THE SOLUTION

EXCH Consulting LLC offers uninterrupted cross-border settlements using stablecoins (USDT/USDC) based on the 1CAD (First Capital Architecture Defence) international safety standard.

We fully legalize and protect this process for your accounting departments, auditors, customs clearance, and correspondent banks - not merely "crypto payments."

### SOLUTION ARCHITECTURE FOR OIL TRADING

Utilizing the 4-layer structure of the 1CAD protocol:

1CAD Protocol Layer	How it Works in Petroleum Supply Chains	Business Outcome
1. Custody Assurance	Verified multi-sig wallets and independent escrow smart contracts for transaction volumes	Absolute protection against loss of digital asset control and counterparty default
2. Legal Enforceability	Crypto transaction legally bound to foreign trade contract, specification (SGS/Saybolt), and invoice	Transaction officially recognized as legitimate counter-trade or digital offset
3. Compliance Verification	Deep forensic AML via Chainalysis/Crystal; continuous sanctions screening (OFAC, EU)	Elimination of 'toxic coin' risks; regulators receive comprehensive proof of capital purity
4. Consumer Protection	Official IDAA certificate and evidence escrowed in secure Zoho archive	Customs and banks receive solid, legally binding document package

## FIVE-DOCUMENT EVIDENCE PACKAGE

For each trade transaction, EXCH Consulting forms a comprehensive package enabling seamless clearance at Tier-1 institutions (HSBC, Barclays, etc.):

1. Corporate Resolution: Board decision approving digital assets as settlement tool under trade contract
2. Proof of Control: Technical attestation proving sending wallet belongs to buyer, receiving wallet to supplier
3. Forensic AML Report: Independent expert confirmation that assets not linked to illicit activities, mixers, or sanctioned entities
4. Attestation Certificate: Official IDAA (London, UK) compliance certificate
5. Archive Record: Immutable digital trail for immediate verification by compliance units

## SPECIALIZED PRODUCTS

### 1. Digital Oil Escrow & Letter of Credit

Direct replacement for traditional banking letters of credit.

Process:

- Buyer deposits USDT into secure escrow
- EXCH Consulting acts as technical arbitrator
- Verifies logistical and quality documentation:
  - SGS/Saybolt inspection reports (quality and volume)
  - Bills of Lading
  - Certificates of Origin
- Upon cargo validation, funds automatically transferred to seller

Economics:

Traditional LC	1CAD Digital Escrow
Fees: 0.5-2% of transaction <sup>2</sup>	Fees: 0.1-0.25%
Setup: 2-6 weeks	Setup: 48 hours
Amendments: \$50-300 each <sup>3</sup>	Amendments: Smart contract updates
Confirmation: 0.25-0.75% additional <sup>4</sup>	Confirmation: Built into protocol

Example: \$10M crude cargo

- Traditional LC cost: \$50,000-200,000 + 3-week delay
- 1CAD Digital Escrow: \$10,000-25,000 + 48-hour setup
- Savings: \$25,000-175,000 per transaction

### 2. Maritime Trade RWA (Freight & Logistics Tokenization)

Packaging vessel charter contracts and port fees into digital liabilities under Real World Asset standards.

Benefits:

- Immediate short-term USDT liquidity from investor pools
- Eliminate vessel demurrage (costs \$20,000-50,000 per day)
- Prompt payment of bunker fuel at major hubs (Algeciras, Valencia, Rotterdam, Fujairah)

## WHY THIS WORKS NOW

While the energy sector faces friction from staggered MiCA or BRICS Bridge rollout, the Early Adoption framework of 1CAD protocol allows legal, secure execution of large-scale fuel payments today.

We translate blockchain mechanics into strict dialect that conservative regulators and international financial auditors fully comprehend.

## IMPLEMENTATION ECONOMICS

### Setup Costs (Per Company)

Item	Cost
1CAD Protocol integration	\$15,000
Legal documentation setup	\$8,000
Smart contract deployment	\$5,000
IDAA membership (annual)	\$10,000
<b>TOTAL FIRST YEAR</b>	<b>\$38,000</b>

### Annual Savings (Example: \$500M annual trade volume)

Cost Category	Traditional LC	1CAD Digital	Savings
Transaction fees (1% avg)	\$5,000,000	\$750,000	\$4,250,000
Amendment fees (50 changes)	\$15,000	\$0	\$15,000
Processing delays	Variable	Minimal	\$100,000+
<b>ANNUAL TOTAL</b>	<b>~\$5,115,000</b>	<b>\$750,000</b>	<b>~\$4,365,000</b>

ROI: ~115x in first year (\$4.36M savings / \$38k setup)

Note: Actual savings depend on trade volume, number of transactions, and specific banking relationships. Conservative estimate based on 50 transactions annually averaging \$10M each.

## REGULATORY COMPLIANCE

### Banking Integration

Five-Document Evidence Package accepted by major institutions for fiat conversion:

- HSBC International Trade Finance
- Barclays Corporate Banking
- Standard Chartered Trade & Working Capital
- Deutsche Bank Trade Finance

### Customs Clearance

Complete documentation supports customs procedures:

- European Union customs authorities
- US Customs and Border Protection

- Middle East and Asian customs agencies

### Tax Authorities

Corporate Resolution framework enables proper tax reporting and compliance in all major jurisdictions.

---

## NEXT STEPS

Schedule an emergency compliance session:

Contact: [compliance@idaa.uk](mailto:compliance@idaa.uk)

EXCH Consulting LLC / IDAA Compliance Department

Official Accreditation Registry: [idaa.uk/cert/001.pdf](http://idaa.uk/cert/001.pdf)

---

## SOURCES & REFERENCES

1. Trade Financer. (2024). "What Are the Costs Associated with Letters of Credit?" Retrieved from <https://tradefinancer.com/what-are-the-costs-associated-with-letters-of-credit/>
2. Financely Group. (2025). "Letter of Credit Fees 2025." Standard LC issuance fees range 0.5-2% depending on transaction size, risk, and bank relationship. Retrieved from <https://www.financely-group.com/letter-of-credit-fees-2025>
3. Typical amendment fees per industry standards range \$50-300 depending on complexity of changes. Source: Cobrief Legal Glossary, 2025.
4. Confirmation fees (paid to confirming bank) typically 0.25-0.75% of LC value. Source: Trade Financer, 2024.

© 2026 INTERNATIONAL DIGITAL ASSET ASSOCIATION

Company No. 17223770 71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ

Non-profit organisation established for the promotion and regulation of standards for digital asset verification, compliance documentation, and consumer protection in commerce and professional practice.

Web: <http://idaa.uk>

Mail: [compliance@idaa.uk](mailto:compliance@idaa.uk)