

# COMMERCIAL PROPOSAL

## Uninterrupted International Settlements for the Agricultural Sector (1CAD Protocol)

To: Executives of agricultural enterprises, food exporters and importers, grain traders.

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

### THE CHALLENGE

Linear interstate financing and the traditional SWIFT system face profound crisis:

- Strict banking compliance and frozen correspondent accounts
  - Sanction risks actively jeopardizing food product and fertilizer supplies
  - Even legitimate humanitarian cargoes blocked at borders due to payment inability
  - Agricultural production costs reached \$460 billion in 2023 (USDA), with input costs up 28% since 2020
- Traditional letters of credit involve 0.5-2% fees depending on country risk, plus multi-week processing that causes critical delays in time-sensitive agricultural shipments.<sup>2</sup>

### 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 department, customs clearance, and tax authorities - not simply "pay in crypto."

### SOLUTION ARCHITECTURE FOR AGRO-TRADING

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

1CAD Protocol Layer	How it Works in Food Supply Chains	Business Outcome
1. Custody Assurance	Verified multi-sig wallets and independent escrow smart contracts	Protection against loss of control over digital assets
2. Legal Enforceability	Crypto transaction legally bound to foreign trade contract, product specification, and invoice	Transaction recognized as legitimate counter-trade or digital offset
3. Compliance Verification	Deep forensic AML via Chainalysis/Crystal; sanctions database screening	Risk of receiving "dirty" coins eliminated; absolute capital purity
4. Consumer Protection	Official IDAA certificate and evidence escrowed in secure Zoho archive	Customs and tax authorities receive solid legal document package

### FIVE-DOCUMENT EVIDENCE PACKAGE

For each trade transaction, EXCH Consulting forms comprehensive package enabling seamless audits in any jurisdiction:

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

## PRODUCTS FOR AGRICULTURAL SECTOR

### 1. Digital Crypto Letter of Credit

Direct replacement for traditional banking letter of credit.

Process:

- Buyer deposits USDT into secure escrow account
- EXCH Consulting acts as arbitrator
- Verifies logistical documents:
  - Bill of Lading
  - Phytosanitary certificates
  - Customs declarations
- Smart contract automatically releases funds to seller when cargo enters destination port

Economics:

Traditional LC	1CAD Digital LC
Fees: 0.5-2% of transaction <sup>3</sup>	Fees: 0.5-1%
Setup: 2-6 weeks	Setup: 48 hours
Country risk premium: High	Country risk: Minimal
Amendment costs: \$50-300 each	Amendment: Smart contract updates

Example: \$5M grain shipment

- Traditional LC cost: \$25,000-100,000 + 3-week delay
- 1CAD Digital LC: \$25,000-50,000 + 48-hour setup
- Savings: Time-to-market advantage + reduced fees on high-risk routes

### 2. Agri RWA Trade Finance

For producers lacking working capital to purchase fertilizers or grain.

Structure:

- Digitize trade contract according to Real World Assets (RWA) standards
- Attract liquidity from private crypto-investor pools
- Secured by real commodities under inspector supervision

Benefits:

- Access to alternative financing outside traditional banking system
- Particularly valuable in regions with limited banking infrastructure

- Enables food security in banking-restricted areas

## WHY THIS WORKS NOW

While the world waits for global MiCA or BRICS Bridge implementation, the Early Adoption mechanism of 1CAD protocol allows legal execution today.

We translate "blockchain language" into dialect that conservative regulators and financial auditors fully understand.

## IMPLEMENTATION ECONOMICS

### Setup Costs (Per Company)

Item	Cost
1CAD Protocol integration	\$12,000
Legal documentation setup	\$6,000
Smart contract deployment	\$4,000
IDAA membership (annual)	\$10,000
<b>TOTAL FIRST YEAR</b>	<b>\$32,000</b>

### Annual Savings (Example: \$200M annual trade volume)

Cost Category	Traditional LC	1CAD Digital	Savings
Transaction fees (1% avg)	\$2,000,000	\$1,200,000	\$800,000
Delayed shipment costs	\$150,000	\$20,000	\$130,000
Country risk premiums	\$100,000	\$0	\$100,000
<b>ANNUAL TOTAL</b>	<b>~\$2,250,000</b>	<b>~\$1,220,000</b>	<b>~\$1,030,000</b>

ROI: ~32x in first year (\$1.03M savings / \$32k setup)

Note: Actual savings depend on trade volume, destination countries, and current banking relationships. Conservative estimate based on 40 transactions annually averaging \$5M each with 1% fee differential.

## HUMANITARIAN IMPACT

### Food Security in Banking-Restricted Regions

1CAD Protocol enables continued food and fertilizer shipments to regions where traditional banking has failed:

- Conflict zones where SWIFT disconnections block legitimate humanitarian trade
- Sanctioned regions where civilian food supplies shouldn't be restricted
- Underbanked markets lacking correspondent banking relationships

Critical distinction: This is not sanctions evasion. This is ensuring civilian food security through legally compliant alternative payment rails when traditional banking infrastructure fails legitimate commerce.

## REGULATORY COMPLIANCE

### Tax Authority Acceptance

Five-Document Evidence Package provides complete audit trail:

- Corporate Resolution shows board approval of transaction
- Proof of Control demonstrates genuine commercial activity
- AML Report proves funds are clean
- Attestation Certificate provides third-party verification
- Archive Record enables tax authority verification

### Customs Clearance

Complete documentation supports customs procedures globally:

- European Union customs authorities
- US Customs and Border Protection
- Asian and African customs agencies
- Middle East customs authorities

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## 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)

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## SOURCES & REFERENCES

1. United States Senate Committee on Agriculture, Nutrition & Forestry. (2023). "USDA Says High Farm Production Costs Not Easing In 2024." Total costs paid by farmers reached all-time high of \$460 billion in 2023, up 28% since 2020. Retrieved from <https://www.agriculture.senate.gov/newsroom/minority-blog/usda-says-high-farm-production-costs-not-easing-in-2024>
2. Trade finance industry standard fees for agricultural commodities vary by country risk profile, typically 0.5-2% for LC issuance. Higher-risk destinations incur additional country risk premiums. Source: Trade Financer, 2024.
3. Financelly Group. (2025). "Letter of Credit Fees 2025." Agricultural trade LCs typically charge 0.5-2% depending on jurisdiction, commodity type, and relationship with issuing bank.

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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.

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