

Ledger of Title

Good: content-address (IPFS)

Owner: 0x....

Ledger of Transit

Good: content-addr

From: 0x .. (A1)

To: 0x ... (A2)

Status:

Ledger of Debt

Good: addr

Lender: 0x

Loan: x BTC

Security: escrow address 0x

Goods moved from A1 to A2. A1, and A2 are cryptographic primitives (addresses) defining two traders or a trader and a consumer.

A title ledger defines who owns the title. Eg A1. and any money promised against it (eg invoice factoring).

A transit ledger defines the movement eg $A1 \rightarrow A2$. There is a trigger which defines when the transfer is complete and hence that the title changes.

1. A1 owns the title. No debt against it.
2. A2 buys title. Money sent to escrow.
3. A1 send good to A2. A transit ledger record is created.
4. Contract between A1 and A2 defines a completion condition (smart contract and an IoT event).
5. As money is held in escrow, there is a cash flow interruption. Hence lender L lends against the escrow asset - ledger of debt - and pays A1.
6. A2 gets good, and IoT releases escrow money to L.
7. There can be several traders in the supply chain and hence a chain of payments is setup against the original asset in escrow (payment by A2).