

Use Case Library

Vakt

Executive Summary written by GBBC

Traditional post-trade commodities processes are burdensome, with numerous redundant and paper-based processes involved. In November 2018, the consortium venture VAKT went live with its post-trade blockchain platform for Brent crude oil contracts, the benchmark for global oil prices. With collaboration from ThoughtWorks and using JPMorgan's Quorum blockchain, VAKT launched with major backers, including BP, Shell, Equinor, and Gunvor & Mercuria. As of November, these corporations were running VAKT in parallel with their internal systems.

VAKT VP Lyon Hargrave explained that VAKT "is not a trading nor a settlement platform – there is no cryptocurrency involved... it is everything in between: deal recap; confirmation; contract; logistics (the really big element in all this) — and invoicing." While details on the operations of VAKT are scarce, it has clearly attracted the attention and interest of major international energy corporations, with Chevron, Total (France), and Reliance Industries (India) joining in January 2019. It has also had banks and trading houses sign on: ABN Amro, ING, Societe Generale, Koch Supply & Trading, and Mercuria have all joined.

VAKT expects to expand its offering to include new energy markets, eventually expanding to "all physically traded energy commodities." Success for this project will ultimately be determined by its further adoption, specifically whether companies cease running their internal operations in parallel with VAKT. For now, this is an exciting use case with significant potential that has been cosigned by many of the top corporations in the energy industry.