

For immediate reporting

THE UK-SINGAPORE FREE TRADE AGREEMENT TAKES EFFECT FROM 1 JANUARY 2021

The UK-Singapore Free Trade Agreement (UKSFTA) will take effect from 1 January 2021, 7.00am Singapore Standard Time (SST)¹ via provisional application. The EU-Singapore Free Trade Agreement (EUSFTA) will then cease to apply to UK-Singapore trade.

2. Following the signing of the UKSFTA on 10 December 2020 by Minister for Trade and Industry Chan Chun Sing and UK Secretary of State for International Trade Elizabeth Truss, the UK and Singapore have completed the respective domestic procedures for the agreement's provisional application. This will continue until the UKSFTA is ratified by both countries and enters into force.²

3. The UKSFTA provides certainty and clarity in trading arrangements between both countries. Companies will be able to enjoy the same EUSFTA benefits when trading between the UK and Singapore under the UKSFTA. These include tariff elimination for goods trade, increased access to their respective services and government procurement markets, as well as reduction of non-tariff barriers.

Annex A: Factsheet on the UKSFTA
Annex B: Infographic on the UKSFTA

MINISTRY OF TRADE AND INDUSTRY, SINGAPORE

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¹ This corresponds to when the Brexit Transition period ends at 11.00pm on 31 December 2020, Greenwich Mean Time (GMT).

² Provisional application enables countries to apply treaty commitments on a provisional basis, while they complete their necessary domestic procedures and relevant international treaty formalities for entry into force.

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Annex A: Factsheet on the UK-Singapore FTA (UKSFTA)

1. The UKSFTA ensures trade continuity and provides companies with certainty in trading arrangements between the UK and Singapore. It will allow companies to continue enjoying the same EU-Singapore Free Trade Agreement (EUSFTA) benefits when trading between the two countries. This includes tariff elimination for goods trade, increased access to services and government procurement markets, as well as reduction of non-tariff barriers including in four major sectors: electronics; motor vehicles and vehicle parts; pharmaceutical products and medical devices; and renewable energy generation.

Tariff Elimination

2. In the spirit of continuity, the UK and Singapore have committed to maintain the **same timeline for tariff reductions as the EUSFTA** and start the clock from the entry into force of the EUSFTA. Upon the UKSFTA's entry into force, tariffs will remain eliminated for 84% of all tariff lines for Singapore exports to the UK. Virtually all of the remaining tariffs will be eliminated by 21 November 2024, similar to the EUSFTA. Singapore will also continue to bind our current level of duty-free access under the EUSFTA for all UK products entering Singapore.

3. The UKSFTA will continue to provide **for liberal and flexible rules of origin (ROO)** for the UK and Singapore's key exports to each other's markets, including automobiles, chemicals, clothing and textiles, electronics, machinery, pharmaceuticals, and petrochemicals.

4. Singapore companies will also continue to enjoy **enhanced market access in the UK for Asian food products made in Singapore**, such as *har gow* (prawn dumplings) and *sambal ikan bilis* (spicy crispy anchovies). These will be able to enter the UK tariff-free under flexible ROOs,³ up to a combined quota of 350 tons annually.

EU and ASEAN cumulation

5. In line with the current arrangement under the EUSFTA, UK and Singapore companies can **continue to use EU-27 materials and parts** in their exports to each other's markets. **Materials and parts sourced from ASEAN Member States** can also be used and qualified under the rules of origin for exports to the UK, when the relevant arrangements⁴ are put in place. This would enable such products to **more easily qualify for preferential tariff treatment**.

³ These processed food products will only be required to meet certain qualifying operations. They will also be subjected to relevant UK sanitary and phytosanitary requirements.

⁴ Similar to the EUSFTA, the UKSFTA requires ASEAN countries to provide undertakings of cooperation and compliance in order to allow for ASEAN cumulation.

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Reduced Non-Tariff Barriers

6. The UKSFTA will **remove unnecessary technical barriers to trade (TBT)** for Singapore and UK exporters. The provisions in the agreement go beyond the requirements of the World Trade Organization's Technical Barriers to Trade (TBT) Agreement and Sanitary and Phytosanitary Measures (SPS) Agreement, and are aimed at reducing costs for exporters.

7. This will create a level playing field for UK and Singapore companies and facilitate trade between the UK and Singapore. A wide range of sectors in both the UK and Singapore will benefit, such as electronics, motor vehicles and vehicle parts, pharmaceuticals, renewable energy, as well as meat and meat products.

8. Provisions within the chapters on TBT and SPS include rules on marking and labelling, reducing duplicative conformity testing for a range of electronic goods, promoting the recognition of international standards for motor and vehicle parts, and certifying systems for meat-producing establishments so that inspection of individual abattoir / food processing plants for companies to export their goods will not be required.

9. In pharmaceuticals, the UK will endeavour to deem Singapore's standards of "Good Manufacturing Practices" in the manufacture of active pharmaceutical ingredients as equivalent to its own.

Customs Facilitation

10. In addition to customs procedures, the UK and Singapore will work to mutually recognise each other's authorised economic operator (AEO) schemes⁵ within two years of the UKSFTA's entry into force. This would enable AEO companies certified by Singapore Customs to **benefit from facilitated documentary and cargo clearance for their shipments.**

Trade in Services Sectors

11. Services sectors are crucial for both the UK and Singapore economies, and the UKSFTA aims to further boost the dynamic trade in services between Singapore and the UK.

12. The UKSFTA provides **enhanced market access for service providers, professionals and investors**, and creates a level-playing field for businesses in each other's markets, including through sector-specific rules on non-discrimination and transparency.

⁵ An AEO is a party involved in the international movement of goods (e.g. importers, exporters, shipping agents), that has been approved by a national Customs administration as complying with World Customs Organisation (WCO) or equivalent supply chain security standards. They are deemed to be of lower risk.

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13. The agreement covers a wide range of services sectors including architecture, engineering, management consultancy, advertising, computer-related, environmental, postal and courier, maintenance and repair of ships and aircraft, international maritime transport, as well as hotels and restaurants services.

Government Procurement Opportunities

14. The UKSFTA's Government Procurement chapter includes rules on transparency and non-discrimination that go beyond the WTO's Agreement on Government Procurement, to which Singapore and the UK are signatories.

15. The UK will grant Singapore enhanced access to city-level and municipal-level government procurement opportunities. Companies that will benefit include those with strengths in transport, financial services and utilities. The UK and Singapore's commitments in the GP Chapter will give our respective companies more opportunities to participate in our public tenders.

Enhanced Intellectual Property Rights

16. The UKSFTA will allow Singapore and the UK to **continue enjoying the benefits of a comprehensive Intellectual Property Rights Chapter which includes copyright, enforcement, and geographical indications.**

Investment Protection

17. Beyond the UKSFTA, the UK and Singapore have committed to **commence and endeavour to conclude negotiations for a high standard investment protection agreement within two and four years respectively of the UKSFTA's entry into force.** This will ensure that our bilateral investments will be covered by robust and up-to-date treaty protections, and provide our businesses and investors with the certainty of investment protection.

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Annex B: Infographic on the UK- Singapore FTA (UKSFTA)

United Kingdom-Singapore Free Trade Agreement (UKSFTA)

2020
10 DEC

The UKSFTA was signed.



The UKSFTA is the **first free trade agreement** between the UK and an ASEAN member state.

The UKSFTA will ensure trade continuity, allowing UK and Singapore companies to continue enjoying similar benefits available today under the EUSFTA.



Key Benefits

Elimination of Tarrifs

Upon Entry into Force

Tarriff elimination for **84%** of tariff lines for all Singapore products entering the UK.



(Asian Food Products, Electronics, Pharmaceuticals, Petrochemicals and Processed Agricultural Products)

By 21 Nov 2024

Tariffs on virtually all remaining products to be removed.



(Selected meat and seafood produce, fruits, textiles and consumer goods)

Liberal and Flexible rules of origin (ROO) for UK and Singapore's key exports to each other's markets









Asian food products made in Singapore can also enter the UK tariff free up to an annual quota of 350 tons.

EU & ASEAN cumulation



UK and Singapore companies can continue to use EU materials in their exports to each other's markets according to the requirements under the Rules of Origin Protocol.

For selected products, Singapore companies will be able to cumulate materials from ASEAN Member States when the relevant arrangements are put in place.

Preferential Tariff Treatment

Reduction of Technical and Non-Tariff Barriers in Key Sectors

Singapore exporters will have lower operational costs with the reduction of duplicative testing and certification procedures as well as other non-tariff barriers in the following sectors:



Electronics



Motor vehicles and vehicle parts



Pharmaceuticals



Renewable energy

Enhanced Market Access To Services Sectors

Singapore businesses will have improved market access to a wider range of services sectors in the UK.



Engineering services



Advertising services



Computer-related services



Environmental services



Maintenance and repair of ships and aircraft services



International maritime transport services



Hotels and restaurants services

More Opportunities in Government Procurement

Singapore companies can bid for more government procurement projects in the UK including at the city and municipal-level. These include transport, financial services and utilities.



Enhanced Intellectual Property Rights

The UKSFTA will allow both countries to continue enjoying the benefits of a comprehensive intellectual property rights chapter which includes enhanced rights for copyright, enforcement, and geographical indications.






Information is accurate as of December 2020