

For immediate reporting

SINGAPORE AND THE REPUBLIC OF KOREA CONCLUDE NEGOTIATIONS ON A DIGITAL ECONOMY AGREEMENT

1. Singapore and the Republic of Korea (ROK) have concluded negotiations on the Korea-Singapore Digital Partnership Agreement (KSDPA). Second Minister for Trade and Industry Dr Tan See Leng and ROK's Minister for Trade Yeo Han-Koo jointly announced this today at the Joint Ministerial Meeting in Singapore.

2. The KSDPA will be Singapore's fourth Digital Economy Agreement (DEA)¹, and the first with an Asian country. The agreement will deepen bilateral cooperation in the digital economy between both countries, by establishing forward looking digital trade rules and norms to promote interoperability between digital systems. This will enable more seamless cross-border data flows and build a trusted and secure digital environment for our businesses and consumers.

3. The KSDPA will prohibit data localisation except for specific purposes such as regulatory access. This allows businesses to transfer data securely as part of their daily business operations and allows businesses to choose where they may wish to store and process their data, according to their business needs. It will also deepen bilateral cooperation in new emerging areas like Personal Information Protection, E-payments, and Source Code protection. ROK and Singapore will also identify cross-border opportunities to facilitate Artificial Intelligence innovation and collaborations. The DEA will complement Singapore's efforts to develop multilateral rules to create an enabling environment for e-commerce as co-convenor of the World Trade Organization Joint Statement Initiative on E-commerce.

4. Dr Tan See Leng said, "I welcome the conclusion of the Korea-Singapore Digital Partnership Agreement. It will strengthen the digital connectivity between Singapore and the Republic of Korea, and add to our already robust economic ties. By aligning standards, enabling trusted data flows and allowing cross border digital transactions to take place more seamlessly, the KSDPA will open up opportunities for our businesses and people in the rapidly growing digital economy."

5. Singapore and ROK enjoy strong economic ties. Singapore was ROK's 8th largest trade partner in 2020, with bilateral trade reaching S\$44.6 billion. As of end-2019, Singapore was ROK's 9th largest investor in Asia, with about S\$8.37 billion worth of investments recorded in ROK. ROK was Singapore's 6th largest source of investments in Asia, with a cumulative direct investment of S\$23.7 billion.

¹ The KSDPA follows the Digital Economy Partnership Agreement with Chile and New Zealand, the Singapore-Australia DEA, and the UK-Singapore DEA.

6. The KSDPA is part of a series of DEAs that Singapore has embarked upon. These agreements are an inter-agency effort led by the Ministry of Trade and Industry, Ministry of Communications and Information, and the Infocomm Media Development Authority, to advance collaboration in the digital economy and enhance digital connectivity.

Annex A: Key Features of the Korea-Singapore Digital Partnership Agreement

Annex B: Korea-Singapore Digital Partnership Agreement Infographic

Annex C: Quotes from companies on the Korea-Singapore Digital Partnership Agreement

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For media queries, please contact:

Dhivya Rani
Senior Assistance Director
Communications and Engagement Division, Ministry of Trade and Industry
Tel: 9061 6294
Email: dhivya_rani_selvakumar@mti.gov.sg

Eleen Lim
Manager
Communications and Engagement Division, Ministry of Communications and Information
Tel: 6989 5811
Email: Eleen_LIM@MCI.gov.sg

Tan Yan Fang
Manager
Communications and Marketing, Infocomm Media Development Authority
Tel: 6751 2703
Email: TAN_Yan_Fang@imda.gov.sg

Annex A: Key Features of the Korea-Singapore Digital Partnership Agreement

A. Highlights of Modules

i. *Facilitate end-to-end digital trade*

Electronic payments (E-payments)

1. To support the development of safe and secure cross border E-payments, Singapore and ROK will promote transparent and facilitative rules (e.g. encouraging open Application Programming Interfaces (APIs)), adopt internationally accepted standards and promote interoperability between E-payment systems.

Paperless Trading

2. To support the digitalisation and seamless exchange of key commercial documents, Singapore and ROK will accept electronic versions of trade administration documents. Both parties will also seek to collaborate on initiatives which facilitate the use and adoption of the data exchange systems for the exchange of electronic trade documents.

ii. *Enable trusted data flows*

Cross-border Data Flows (including for Financial Services)

3. Data flow is the bedrock of the digital economy. With business transactions increasingly conducted over digital platforms, and the emergence of new business models like Software-as-a-Service (SaaS), there is an unprecedented rise in volume of data moving across borders. Through the KSDPA, businesses operating in Singapore and ROK will be allowed to transfer information, including those which are generated or held by financial institutions, seamlessly across borders so as long the requisite regulations are met, with adequate personal protection safeguards in place.

Prohibiting Data Localisation

4. Data localisation requirements are an unnecessary barrier to trade and may drive up the cost of storing data for all businesses. Singapore and ROK will put in place disciplines against requirements for data localisation and allow businesses to choose where their data is stored, processed, and their cloud technology of choice.

Open Government Data

5. To encourage innovation in this new data driven age, both countries shall endeavour to ensure that government data that has been made publicly available will be in a machine readable and open format, with easy to use and freely available APIs.

iii. *Facilitate trust in digital systems and participation in the Digital Economy*

Artificial Intelligence (AI)

6. To facilitate cross-border opportunities for business innovation; and promote the adoption of AI governance and ethics frameworks that support the trusted, safe and responsible use of AI-based technologies.

Cryptography

7. To ensure that companies using cryptography can trust the market within which they operate, encourage innovation, and ensure that private keys and related technologies used are protected, neither country will require the transfer of, or access to, the above as a condition of market access.

Source Code Protection

8. To ensure software developers can trust the market within which they operate, encourage innovation and ensure that source code used by companies are protected, neither country will require the transfer of, or access to, source code as a condition of market access. This includes algorithm expressed in the source code.

Online Consumer Protection

9. To enhance consumer welfare, both countries will adopt or maintain laws and regulations that guard against fraudulent, misleading or deceptive conduct that causes harm to consumers engaged in online commercial activities.

Small and Medium Enterprises Cooperation

10. SMEs play a special role in enhancing competitiveness and maintaining dynamism in the economy. Singapore and ROK seek to cooperate to promote jobs and growth for SMEs, as well as encourage their participation in platforms that help link them with international suppliers, buyers, and other potential business partners.

Digital Identities

11. In the digital world, secure and trusted digital identities enable greater and easier access to services for both individuals and companies. Singapore and the ROK seek to cooperate to promote interoperability between the respective digital identity regimes, which can bring benefits such as more reliable identity verification and faster processing of applications. This would in turn reduce barriers in cross-border trade and enable businesses and individuals to navigate the international digital economy with greater ease, confidence, and security.

Annex B: Korea-Singapore Digital Partnership Agreement Infographic



Highlights of Modules

E-payments

Adopt transparent and facilitative rules to promote secure cross-border E-payments.



Open Government Information

Encourage innovation by making Government information open and accessible.



Paperless Trading

Accept electronic versions of trade administration documents for efficient cargo clearance and facilitate cross-border supply chain digitalisation.



Cryptography

Remove access and transfer of private keys and related technologies, as a condition of market access.



Cross-border Data Flows

Enable the trusted flow of data across borders to support digitally-enabled activities, including for Financial Services.



Source Code Protection

Remove access and transfer of source codes, including algorithms expressed within, as a condition of market access.



Prohibiting Data Localisation

Establish rules against data localisation requirements so that businesses in Singapore and the Republic of Korea can choose where their data is stored, processed, and their cloud technology of choice.



Online Consumer Protection

Guard against fraudulent or misleading conduct online through regulations.



Artificial Intelligence

Identify cross-border opportunities to facilitate business innovation and collaborations on AI ethics and governance.



SME Cooperation

Promote jobs for SMEs and facilitate their connection with suppliers, buyers and business partners.



Digital Identities

Promote interoperability of digital identity regimes, enabling businesses and consumers to navigate the digital economy with greater ease and security.



For the latest updates on Singapore's economy and the steps we are taking to progressively reopen, subscribe to our Telegram channel: <https://t.me/MTISingapore>

Information is accurate as of December 2021

Annex C: Quotes from companies on the Korea-Singapore Digital Partnership Agreement

Sector	Company	Quote & Spokesperson
Technology, Media, and Telcom	AT&T/ WarnerMedia	<p>“AT&T/WarnerMedia is a diversified global leader in telecommunications, media and entertainment, and technology. Worldwide, we serve over three million enterprise customers across a wide variety of sectors – from small businesses to nearly all the Fortune 1000. We help communities, enterprises and storytellers from all around the world connect in meaningful ways every day.</p> <p>We welcome the Korea-Singapore Digital Partnership Agreement. The Agreement will promote interoperable and scalable rules purpose-fit for today’s digital economy. By facilitating the flow of digital information, preventing data localisation requirements, protecting IP, and addressing emerging digital issues, the Agreement provides a strong foundation for investment and innovation across all sectors of the economy.</p> <p>We look forward to working with the Singapore and Korea governments to unlock the full potential of the digital economy for communities and economies in Asia-Pacific and beyond.”</p> <p>Jared Dougherty, Head of External & Regulatory Affairs, Asia-Pacific, AT&T/WarnerMedia</p>
Technology	BSA	<p>“We are encouraged to see that South Korea and Singapore are seeking to achieve greater alignment on matters of digital governance and trade through the Korea-Singapore Digital Partnership Agreement.</p> <p>We look forward to reviewing the text of the agreement, including with respect to commitments regarding responsible and secure cross-border data transfers. Many companies from around the world face a range of cross-border data restrictions in South Korea, and we hope that this agreement will point in a new policy direction.”</p> <p>Jared Ragland, Senior Director, Policy – APAC, BSA</p>
Technology	Microsoft	<p>“Singapore and Korea have demonstrated strong leadership in digital trade policy through their Digital Partnership Agreement. The deal is an exciting development, and offers a springboard for meaningful cross-border cooperation by addressing barriers and issues integral to digital economic growth. Microsoft looks forward to collaborating with both governments in advancing this strategic partnership.”</p>

		<p>Sunny J. Park, Assistant General Counsel and APAC Regional Director, Corporate, External and Legal Affairs, Microsoft</p>
Technology	IBM	<p>"IBM commends the governments of Singapore and South Korea for establishing a growth oriented digital trade partnership that includes strong protections for the responsible flow of data across borders in order to support economic activity and job creation."</p> <p>Stephen Braim, Vice President, Government & Regulatory Affairs Asia Pacific, IBM</p>
Travel & Hospitality	Trabble	<p>"Tourism has always been a huge element between Singapore and Korea, with one of the first Vaccinated Travel Lanes established in the world. Pre-pandemic tourism arrival numbers reflected that both countries received close to quarter of million Singaporeans entering South Korea (Top 12 by country) and more than 650,000 Koreans visiting Singapore (Top 9 by country).</p> <p>With the support of STB, Enterprise Singapore and the ROK Ministry of SMEs and Startups, Trabble is able to effectively enter the market and sell our solutions in Korea. The Korea-Singapore Digital Partnership Agreement will help in the information flow of sensitive traveller details and navigating cross-border payments. This will definitely translate to better deployment of Trabble's technology to help the Travel & Hospitality industry provide a better seamless guest engagement experience for travellers."</p> <p>Ian Low Jianliang, CEO, Trabble</p>
Trade Association	Singapore Business Federation (SBF)	<p>"SBF welcomes the conclusion of the Korea-Singapore Digital Partnership Agreement (KSDPA), which will help deepen bilateral cooperation between our countries in emerging digital areas like personal data protection, cross-border data flows, digital identities, fintech, and artificial intelligence governance frameworks. The pandemic has accelerated the pace of digitalisation for businesses, and such digital economy agreements (DEAs) will help support the continued development of the digital economy in Singapore. SBF looks forward to helping our members and SMEs to better understand the features of the KSDPA and other DEAs, so that they can better benefit from the agreements."</p> <p>Lam Yi Young, Chief Executive Officer, Singapore Business Federation</p>