

For immediate reporting

SINGAPORE AND THE UNITED KINGDOM SUBSTANTIALLY CONCLUDE NEGOTIATIONS ON A DIGITAL ECONOMY AGREEMENT

1. Singapore and the United Kingdom (UK) have substantially concluded negotiations on the UK-Singapore Digital Economy Agreement (UKSDEA). Minister-in-charge of Trade Relations Mr S Iswaran and the UK Secretary of State for International Trade Anne-Marie Trevelyan jointly announced this today at an in-person bilateral meeting in London, during Mr Iswaran's visit to the UK.

2. Mr Iswaran said, "Singapore's digital economy agreements build on and enhance the economic connectivity established through our extensive network of free trade agreements. I am pleased that Singapore and the UK, as like-minded and digitally progressive partners, have substantially concluded an ambitious and cutting-edge digital economy agreement. Reflecting our shared ambition, the UKSDEA builds upon and, in some areas, goes further than our existing agreements. It will set a global benchmark for high-standard digital trade rules, and benefit people and businesses in our two countries. The UKSDEA will enable businesses, especially our SMEs, to leverage a greater range of opportunities in our combined and growing digital markets."

3. The UKSDEA will be Singapore's third DEA, following the Digital Economy Partnership Agreement with Chile and New Zealand, and the Singapore-Australia DEA. The agreement includes binding disciplines on cornerstones of the digital economy, such as data, as well as cooperative elements in a wide range of emerging and innovative areas such as Artificial Intelligence, fintech and regtech, digital identities and legal technology.

4. There are three key thrusts in the UKSDEA.

- a. First, advancing end-to-end digital trade. The agreement will facilitate seamless end-to-end digital trade through common and interoperable digital systems for e-payments, e-invoicing and other key electronic documents such as bills of lading. This will enable faster and cheaper transactions, and reduce costs for businesses.
- b. Second, enabling trusted data flows. The agreement will ensure high standards in data protection and prohibit data localisation requirements, including in financial services.
- c. Third, facilitating a trusted and secure digital environment, and promoting participation in the digital economy. For companies, this includes the protection of source codes (including embedded algorithms) and private keys in cryptography. For consumers, this includes guarding against fraudulent, misleading or deceptive conduct online. The UKSDEA will also promote cross-cutting participation in the digital

economy by people and businesses, especially Small & Medium Enterprises (SMEs).

5. Under the UKSDEA, Singapore and the UK are also pursuing cooperative projects that provide a dynamic framework for bilateral cooperation on forward-looking and emerging issues. To date, both countries have signed three Memoranda of Understanding (MOUs) in Digital Trade Facilitation, Digital Identities, and Cyber Security. Such partnerships make digital transactions easier, safer and cheaper, enabling businesses in both countries to seize opportunities in the growing digital economy. Please see [Annex B](#) for more information.

6. Singapore and the UK enjoy strong economic ties, with the UK being Singapore's largest services trading partner in Europe. In 2019, bilateral services trade exceeded S\$22 billion, of which around 70% could have been digitally delivered. The UK is also our second largest European investor and European investment destination, with over S\$100 billion worth of UK investment stock in Singapore, and close to S\$60 billion worth of Singapore investment stock in the UK.

7. The UKSDEA is part of a series of DEAs¹ 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 United Kingdom-Singapore Digital Economy Agreement

Annex B: United Kingdom-Singapore Digital Economy Agreement Infographic

Annex C: Quotes from companies on United Kingdom-Singapore Digital Economy Agreement

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¹ The three MOUs signed on 29 November 2021 support the shared goals and key tenets of the UKSDEA. The press release on the MOUs can be found here: <https://www.mci.gov.sg/pressroom/news-and-stories/pressroom/2021/11/singapore-and-the-uk-announce-signing-of-three-mous-in-the-areas-of-digital-trade-facilitation-digital-identities-and-cyber-security>

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Annex A: Key Features of the United Kingdom-Singapore Digital Economy Agreement and accompanying MOUs

A. Highlights of Modules within the UKSDEA

i. Advance end-to-end digital trade

Electronic payments (E-payments)

1. To support the development of safe and secure cross border E-payments, Singapore and the UK will promote transparent and facilitative rules, such as by encouraging open Application Programming Interfaces (APIs), adopting internationally accepted standards and promoting interoperability between E-payment systems.

Paperless Trading

2. To support the digitalisation and seamless exchange of key commercial documents, Singapore and the UK will accept electronic versions of trade administration documents. Both parties will also seek to facilitate cross-border digitalisation of supply chains, with a focus on promoting interoperability of electronic documents such as bills of lading and invoices. This will enable faster and cheaper transactions, and reduce cost for businesses.

ii. Enable trusted data flows

Cross-border Data Flows (including for Financial Services)

3. Data flow is increasingly important to the growth of the global economy, as it supports electronic commerce and other digitally-enabled activities such as data analytics and AI. Businesses operating in Singapore and the UK will be allowed to transfer information, including those which are generated or held by financial institutions, more seamlessly across borders with the assurance that they meet the requisite regulations.

Prohibiting Data Localisation (including for Financial Services)

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

Submarine Cables

5. Submarine cable systems form a critical part of the digital infrastructure that provide cross-border data and voice connectivity between countries and across regions.

6. Under the DEA, Singapore and the UK recognise the importance of (i) submarine cable systems and associated facilities, eg. landing stations; and (ii) the expeditious and efficient installation, maintenance and repair of such systems and facilities. Singapore and the UK will ensure access and minimise risks to these systems and facilities to promote national, regional and global telecommunications connectivity.

Open Government Information

7. To encourage innovation in this new data driven age, particularly by Small & Medium Enterprises (SMEs), both countries shall endeavour to ensure that government information that has been made publicly available will be in a machine readable and open format, with easy to use and freely available Application Programming Interfaces (APIs)

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

Cryptography

8. 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. This would cover both products as well as services that use cryptography.

Source Code Protection

9. 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 algorithms expressed in the source code.

Online Consumer Protection

10. 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

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

Digital Inclusion

12. To ensure that all people and businesses can participate in, contribute to, and benefit from the digital economy, both countries will seek to cooperate to remove barriers for participation in the digital economy, including for women.

B. Accompanying MOUs

Digital Trade Facilitation

1. The Digital Trade Facilitation MOU seeks to unlock opportunities and provide solutions to barriers faced when digitising trade between the UK and Singapore. As like-minded partners in this area, sharing of knowledge and implementation of pilot projects between the UK and Singapore on areas such as electronic trade documents and electronic invoicing will help to drive the development and adoption of digital trade facilitation solutions at a bilateral and international level.
2. The benefits of the digitalisation of trade include reduced costs for businesses driving competitive pricing for consumers, a reduction in the carbon footprint of trade, and improving accessibility by Small and Medium Enterprises to engage in cross-border trade. The sharing of best practices will also influence the creation of secure global supply chains and interoperable digital ecosystems.
3. For example, a pilot scheme to simulate the transfer of electronic bills of lading will lay the foundation for businesses to enjoy a digital ecosystem for cross-border trade transactions. Using electronic bills of lading decreases cost, fraud risk and transaction times, as businesses no longer have to physically manage hardcopy trade documents. With the establishment of a pilot project to share information and encourage the adoption of e-invoicing, businesses will also be enabled to transact with their overseas partners seamlessly.

Digital Identities Cooperation

4. With the growing volume of digital transactions, the ability to reliably verify one's identity has become increasingly important. The Digital Identities Cooperation MOU promotes greater cooperation between the UK and Singapore in the field of digital identity, with the aim of developing mutual recognition and interoperability between the respective digital identity regimes.
5. The MOU lays the foundation for a roadmap towards mutual recognition of digital identities between the UK and Singapore, based on the principle of mutual interest and benefit. It is an important step in the route to achieve interoperability of digital identity regimes between different jurisdictions, which can bring tangible 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.

Cyber Security

6. The Cyber Security MOU acknowledges the shared vision between the UK and Singapore in maintaining the economic and social benefits of an open, peaceful and secure cyberspace. The two countries also acknowledge their common interest in addressing the international challenges and promoting bilateral collaborations to strengthen cyber security. The MOU will build on strong existing cyber cooperation between the UK and Singapore in seeking opportunities for collaboration in areas such as the Internet of Things (IoT) security, promoting cyber resilience and capacity building. As cyber security underpins the digital economy by promoting secure digital trade, the MOU will also build on existing workstreams between the UK and Singapore to build a secure and resilient cyberspace for businesses and consumers.

Annex B: United Kingdom-Singapore Digital Economy Agreement Infographic



UK-SINGAPORE DIGITAL ECONOMY AGREEMENT (UKSDEA)

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DEA was substantially concluded.

Highlights of Modules

E-payments

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



Open Government Information

Encourage innovation, particularly by SMEs, by making Government information open and accessible.



Paperless Trading

Accept electronic versions of trade administration documents for efficient cargo clearance, and promote interoperability of electronic documents like bills of lading and invoices to enable faster, safer and cheaper transactions.



Cryptography

Remove access and transfer of private keys and related technologies, as a condition of market access for both goods and services.



Cross-border Data Flows

Seamlessly transfer data 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, including for Financial Services.



Online Consumer Protection

Guard against fraudulent or misleading conduct online through regulations.



Submarine Cables

Recognise the importance of submarine telecommunications cable systems and facilities, and their expeditious and efficient installation, maintenance and repair.



SME Cooperation

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



Digital Inclusion

Remove barriers for people and businesses to participate in the digital economy.



Memoranda of Understanding (MOUs) Signed

Cyber Security Cooperation

Collaborate in areas such as Internet of Things (IoT) security, promoting cyber resilience and cyber capacity building, so as to build a secure cyberspace for businesses and consumers.



Digital Trade Facilitation

Digitalise trade documentation to reduce costs for businesses, reduce carbon footprint, and improve accessibility for SMEs to engage in cross-border trade.



Digital Identities Cooperation

Work towards mutual recognition of digital identities, enable 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 UK-Singapore Digital Economy Agreement

DEA MOUs/ Modules	Company	Quote & Spokesperson
Digital Trade Facilitation	Kofax	<p>"We see numerous business benefits from the UKSDEA in the areas of accelerating adoption of digitalisation in the areas of trade.</p> <p>Currently, due to the lack of commonly agreed standards, fragmented systems, companies have to rely on legacy processes that are paper-based.</p> <p>This leads to inefficiency and results in higher costs to companies (e.g. banks, insurers, logistics) and government agencies (e.g. customs) repeating the digitisation, extraction, validation process in the processing of common documents.</p> <p>The legacy processes also do not benefit from modern digital means of establishing trust such as leveraging TradeTrust alongside Kofax's Intelligent Automation Platform.</p> <p>As a company that has been involved in deploying Intelligent Automation for Trade Finance, eSignatures, Cognitive Capture, RPA for clients globally, Kofax is excited about the possibilities to take digitisation to the next level for organisations."</p> <p>Zakir Ahmed, Senior Vice President and General Manager of Asia Pacific and Japan, Kofax</p>
Financial Services	Wise	<p>"It's great to see the UK and Singapore accelerate digital trade. The world is more interconnected than before and closer connections between the two innovation hubs will spur new opportunities and make it easier for companies in both regions to grow across borders seamlessly in the digital economy.</p> <p>Singapore is Wise's APAC hub and since our launch here four years ago, we've been working hard to provide cheaper, faster and more convenient cross-border payments to individuals and businesses. Easier data and market access will help tech companies like Wise to innovate even faster as we continue building more competitive services."</p> <p>Venkatesh Saha, CEO of Wise Asia-Pacific and Head of APAC Expansion</p>

Financial Services	Synopsis	<p>“We hope to leverage off the DEAs to further our RegTech business expansion in UK and other countries. Synopsis plays an integral part to assist our clients onboard customers from different jurisdictions with better peace of mind and in compliance with relevant regulatory requirements.”</p> <p>Chionh Chye Kit, CEO & Co-Founder, Synopsis</p>
Financial Services	Nium	<p>“The UKSDEA is a landmark digital trade agreement between two global leaders in fintech that will unlock the power and promise of their respective digital economies. Further, the UKSDEA serves as a premier example of how robust collaboration and future-fitting trade policies can bolster innovation in an increasingly connected, digital world. We want to help more businesses bridge borders, so we are thrilled to have key partners in Government paving the way. Agreements such as these will undoubtedly facilitate more transparency, cooperation, and connectivity across our economies, while serving as an important example of the benefits of cross-border collaboration and exchange at a time when it’s needed most.”</p> <p>Katie Mitchell, Global Head of Public Policy, Nium</p>
Financial Services	Stripe	<p>“Stripe serves millions of businesses worldwide, giving us front-row seats to understand how important it is for firms, regardless of their size or location, to easily and quickly participate in the global internet economy.</p> <p>We’re optimistic that agreements like the UKSDEA will set clear, equitable, and predictable rules for folks building cross border businesses. Ultimately this can create more opportunity, prosperity, and entrepreneurs in the communities Stripe serves.</p> <p>We look forward to working closely with MTI to promote the growth of digital trade between Singapore and the UK, and beyond.”</p> <p>Noah Pepper, Asia Pacific Business Lead, Stripe</p>
Industry Associations	SGTech	<p>"Internationalisation is a key growth enabler of our companies, and the UKSDEA will help our businesses engage seamlessly with those in the UK. SGTech looks forward to working with the government and our counterpart associations in the UK to translate the agreement into actionable connections that our companies can leverage. Digital agreements form an essential foundation for global digital trade, and SGTech thinks layering the means to enable cross-border transactions and data</p>

		<p>exchange in a trusted manner, through digital trust, can strengthen this foundation and amplify its effect."</p> <p>Yean Cheong, Executive Director, SGTech</p>
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