

FOR IMMEDIATE REPORTING

**SINGAPORE AND THE UNITED KINGDOM SIGN
DIGITAL ECONOMY AGREEMENT AND AGREE TO START
DISCUSSIONS ON A NEW INVESTMENT PROTECTION AGREEMENT**

1 Minister-in-charge of Trade Relations S Iswaran and United Kingdom (UK) Secretary of State for International Trade Anne-Marie Trevelyan signed the UK-Singapore Digital Economy Agreement (UKSDEA) today, in conjunction with the inaugural meeting of the UK-Singapore Free Trade Agreement (UKSFTA) Trade Committee. They also agreed to start discussions on an investment protection agreement and develop a framework for green economy cooperation this year.

2 Mr Iswaran said, “The UKSDEA will enhance Singapore’s role as a trusted node in global value chains by advancing seamless end-to-end digital trade and enabling trusted data flows in secure digital environments. The expeditious signing of the ambitious and high-standard agreement reflects our strong commitment to continue enabling new growth opportunities for our people and businesses, especially SMEs. It also underscores the growing and evolving partnership between Singapore and the UK. We have already started looking into the next wave of cooperation and have started discussions on green economy cooperation as well as an investment protection agreement to provide our investors with robust and up-to-date treaty protections.”

3 Singapore and the UK also exchanged two side-letters on FinTech and Customs cooperation under the UKSDEA. The FinTech side-letter establishes a roadmap for HM Treasury and the Monetary Authority of Singapore to revitalise the UK-Singapore Fintech Bridge that was established in 2016, with a view to strengthen cooperation in FinTech and innovative financial services, and support the expansion of UK and Singapore FinTech firms. The Customs cooperation side-letter sets up a working group between Singapore Customs and HM Revenue & Customs to explore single window interoperability and supply chain digitisation. These side-letters are in addition to three Memoranda of Understanding signed in November 2021¹ under the UKSDEA.

4 Prior to the signing of the UKSDEA, Mr Iswaran and Ms Trevelyan co-chaired the inaugural UKSFTA Trade Committee meeting, where they reaffirmed the longstanding, robust and dynamic economic relationship between Singapore and the UK. They welcomed the smooth implementation of the UKSFTA. Both parties are targeting to conclude a Mutual Recognition Agreement (MRA) for Authorised Economic Operators (AEO) by 2022, with a view to expedite customs clearances for Singapore and UK exporters.

¹ The three MOUs cover cooperation in Digital Trade Facilitation, Digital Identities, and Cyber Security.

5 Mr Iswaran and Ms Trevelyan also reviewed priority areas for forward-looking cooperation at the meeting. These include the implementation of the UKSDEA and its MOUs, commencement of discussions on a new UK-Singapore Investment Protection Agreement, as well as the development of a framework for green economy cooperation.

6 The UKSDEA is Singapore's third DEA. The agreement includes binding disciplines on cornerstones of the digital economy, such as data flows, 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. Under the UKSDEA, Singapore and the UK are also pursuing MOUs and side letters that provide a dynamic framework for bilateral cooperation on forward-looking and emerging issues.

7 Singapore and the UK enjoy strong bilateral trade and investment flows, underpinned by the UKSFTA, which was provisionally applied in January 2021 and entered into force in February 2021. Under the UKSFTA, Singapore and UK companies enjoy the same benefits that they received when accessing each other's markets under the European Union-Singapore FTA. 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.

8 The UK is Singapore's 6th largest services trading partner globally. In 2019, bilateral services trade exceeded S\$22 billion, of which around 70% could have been digitally delivered. The UK is also Singapore's second largest European investor and European investment destination. There is 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.

Annex A: Photo of signing ceremony

Annex B: Fact Sheet on the UKSDEA

Annex C: Infographic on the UKSDEA

Annex D: Quotes from companies on UKSDEA

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For media enquiries, please contact:

Naadiah Badib
Assistant Director, Communications and Engagement Division
Ministry of Trade and Industry
Tel: (+65) 6332 8446
E-mail: Naadiah_Badib@mti.gov.sg

Luai Han Jing
Assistant Director
Communications and Engagement Division, Ministry of Communications and
Information
Tel: 68379407
Email: Luai_Han_Jing@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

Photo of the signing



Caption: Minister-in-charge of Trade Relations S Iswaran and United Kingdom Secretary of State for International Trade Anne Marie Trevelyan sign the UK-Singapore Digital Economy Agreement.

ANNEX B

Fact Sheet on the UKSDEA

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 digitalisation and the 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 will 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 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 cooperate to remove barriers for participation in the digital economy, including for women.

B. Accompanying MOUs and side-letters

Digital Trade Facilitation

1. The Digital Trade Facilitation MOU will 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 digitalising 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. 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. The establishment of a pilot project to share information and encourage the adoption of e-invoicing, will enable businesses 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 achieving 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 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.

FinTech

7. The side-letter on FinTech cooperation establishes a roadmap for HM Treasury and Monetary Authority of Singapore to revitalise the UK-Singapore Fintech Bridge that was established in 2016. The intent is to help UK FinTech firms and investors access the Asian market and expand to Singapore, as well as attract Singaporean FinTech companies and investors to the UK.

Customs

8. The side-letter on customs cooperation will formalise the formation of a Working Group between Singapore Customs and HM Revenue & Customs to discuss and consider areas of mutual interest on customs and the digital economy including, but not limited to, single window interoperability and supply chain digitisation between Singapore and the UK.

ANNEX C

Infographic on UKSDEA



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 and cheaper transactions.



Cryptography

Remove access and transfer of private keys and related technologies, as a condition of market access for not only goods but also services, which goes beyond prior agreements.



Cross-border Data Flows (Including for Financial Services)

Establish rules to prevent restrictions of cross-border data transfers. Not require data localisation as a condition for market access.



Source Code Protection

Remove access and transfer of source codes as a condition of market access. This includes algorithms expressed within source code, which goes beyond prior agreements.



Submarine Cables

Ensure efficient installation, maintenance and repair of submarine cable systems to maintain telecommunications connectivity.



Online Consumer Protection

Guard against fraudulent or misleading conduct online through regulations.



Digital Inclusion

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



SME Cooperation

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



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, 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.



Side-letters exchanged

Fintech

Commence negotiations on the revitalisation of the UK-Singapore Fintech Bridge, allowing businesses to leverage enhanced support between both countries.



Customs cooperation

Explore single window interoperability and supply chain digitisation between Singapore and the UK.



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>

ANNEX D

Quotes from companies on UKSDEA

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	Nium	<p>"This is an exciting time for businesses as the UKSDEA, a landmark agreement between two global leaders in fintech, will soon take effect.</p> <p>Fintechs like us want to create a world of frictionless commerce, but we cannot do this alone. That is why we are delighted to have key partners in Government supporting this vision and helping businesses bridge borders.</p> <p>Trade agreements such as the UKSDEA will be key to facilitating future innovation and cooperation across our respective economies."</p> <p>Katie Mitchell, Global Head of Public Policy</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</p>

		<p>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 five 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	Cynopsis	<p>"We hope to leverage off the DEAs to further our RegTech business expansion in UK and other countries. Cynopsis 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, Cynopsis</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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