



# Department for International Trade

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9<sup>th</sup> December 2021

Dear Angus,

## **Update on negotiations on the UK Singapore Digital Economy Agreement: Agreement in Principle**

I am writing to inform you and the committee that following intensive negotiations since June, I am very pleased to report that we have now reached Agreement in Principle on what will be the world's most comprehensive digital trade agreement.

The UK-Singapore Digital Economy Agreement (the "DEA") will take our trading relationship with Singapore – worth £16 billion in 2020 – to the next level by overhauling outdated trade rules that affect both goods and services exporters, making it easier for UK business to target new opportunities in both Singapore and lucrative Asian markets. This means that modern trade in services, financial services, agricultural goods, manufactured goods, legal advice, architecture, and many other sectors can operate more easily, supported by their all-important underlying data.

The deal that reflects the objectives for digital trade that I set out in September this year, namely:

- Securing open digital markets, including through important commitments such as a prohibition on imposing customs duties on electronic transmissions.
- Championing cross-border data flows and prohibiting the unjustified forced localisation of data as well as committing to high standards of personal data protection.
- Championing consumer benefits and necessary business safeguards in digital trade. This includes important issues such as the protection of source code and online consumer protection.

- Promoting digital trading systems that cut red tape and make trade cheaper, faster, and more secure for businesses. This includes commitments around electronic signatures and contracts.
- Promoting collaboration with Singapore to shape the rules that govern digital trade and ensure they free, fair, and inclusive. This includes commitments to collaborate with Singapore in emerging fields such as fintech and lawtech.

The deal also closely reflects the ground-breaking G7 Digital Trade Principles that the UK brokered in October under our Presidency. This includes recognition of the importance of decent conditions of work for those employed in the digital economy.

Following the agreement in principle, the legal text will now be finalised. Signature of the agreement will take place at a future date, at which point the agreement will also be presented to Parliament for scrutiny.

I have attached the following document: 'Singapore DEA Explainer', which I will be placing copies of in the libraries of the House.

Best wishes,

A handwritten signature in black ink, reading "Anne Marie Trevelyan". The signature is written in a cursive style and is underlined with a single horizontal stroke.

**THE RT HON ANNE-MARIE TREVELYAN**  
Secretary of State for International Trade  
& President of the Board of Trade

## UK-Singapore Digital Economy Agreement: Agreement in principle explainer

The UK and Singapore have reached agreement in principle on a Digital Economy Agreement (DEA). The text below summarises the agreement in principle.

### Open digital markets

The DEA will help to ensure that UK businesses have open access to Singapore's digital economy, so that they can invest and operate freely and in fair competition. This includes a commitment not to impose customs duties on electronic transmissions, meaning that UK exporters can continue to sell electronic content to Singapore without facing tariffs.

Digital trade should be used to empower a full range of businesses to participate in the global economy. Both countries will make specific commitments to promote the participation of women and small and medium-sized enterprises (SMEs) in the digital economy. In addition, they will cooperate to reduce barriers to participation in digital trade for countries facing such barriers.

### Digital trading systems

The DEA will cut red tape and make trade cheaper, faster, and more secure. The UK and Singapore commit to digitalising more trade administration documents, as well as promoting interoperability. This will help businesses save time and money when preparing documents for customs clearance and inspection. It will be particularly beneficial to SMEs.

Businesses can be more confident that they can use electronic signatures, electronic contracts, and electronic invoicing processes to conduct cross-border transactions.

The DEA also commits both countries to work towards mutual recognition of electronic authentication and digital signatures.

The UK and Singapore will share best practice on single window systems, which provide traders with a single gateway to submit information to government. With the UK in the design phase of its single window, there is real value in sharing expertise and lessons learnt with Singapore, which already operates a single window system.

## Data

All the digital technologies transforming global trade have one thing in common: data. Data is the lifeblood of the new global economy, underpinning everything from emails to electronic payments to the shipment of goods across borders.

The UK and Singapore commit to banning unjustified restrictions on the cross-border flow of data. This means that modern trade in services, financial services, agricultural goods, manufactured goods, legal advice, architecture, and much more can continue to grow, supported by the underlying data.

In addition, neither country will introduce new, unjustified data localisation requirements. This means that UK businesses will not have to pay for expensive data storage and processing in Singapore to do business there.

The DEA promotes personal data protection and requires both countries to have data protection frameworks in place. UK personal data is protected by high standards, including when it flows across borders, as set out in UK domestic legislation.

The UK and Singapore recognise the economic and social benefits of facilitating public access to government data, where appropriate. They will work together to expand access to, and the use of, such data, which will increase business and research opportunities, especially for SMEs.

## Consumer and business safeguards

The UK and Singapore commit to protecting the rights of consumers online. This includes through laws and regulations to ban misleading, deceptive, fraudulent, and unfair commercial practices that may harm consumers. The UK and Singapore will make it easier for consumers to opt out of unsolicited “spam” emails, wherever in the world they come from. Both countries recognise the importance of a safe and secure online environment and will advance collaborative solutions to the global issues that affect it.

UK businesses will be protected from the forced transfer of their intellectual property, including source code and cryptographic algorithms. This will allow them to enter new markets with confidence.

## Financial services

The UK and Singapore have made commitments on the transfer of financial information, allowing the continued free flow of financial data and the prohibition of unjustified data localisation. This means that UK businesses supplying financial services are not obliged to store financial data in Singapore, avoiding the costs and risks of maintaining multiple data servers across jurisdictions.

The UK and Singapore will promote transparency for accessing electronic payments, providing businesses with greater confidence that they will receive fair and reasonable treatment. They will cooperate on international standards and promote interoperability between markets.

The UK and Singapore have committed to greater cooperation for innovative financial services, such as fintech and regtech. The DEA will be complemented by a letter committing both parties to revitalising the existing UK-Singapore FinTech Bridge.

## Legal services and technology

The DEA will be the first trade agreement in the world to include specific commitments on lawtech. The UK and Singapore will establish a dialogue on the use of technology to deliver legal services. They will share knowledge and encourage suppliers of lawtech to explore business opportunities in the other's markets.

## Emerging technology

The UK and Singapore will work together on emerging technology, such as artificial intelligence. They will share best practice, promote collaboration on research and development, and seek opportunities for investment.

## Territorial application

The DEA will clearly set out a process that will enable the agreement to be applied to the Crown Dependencies and Gibraltar.

## Memoranda of Understanding

The DEA will be complemented by Memoranda of Understanding (MoUs) between the UK and Singapore. The UK's Department for Digital, Culture, Media, and Sport (DCMS) and Singapore's Ministry of Communication and Information (MCI) have signed MoUs covering cybersecurity, digital identities, and electronic invoicing and electronic trade documents. Both countries are scoping out further MoUs in areas of mutual interest.

## MoU on cybersecurity

The MoU on cybersecurity acknowledges the countries' common interest in a free, open, peaceful, and secure cyberspace. The UK and Singapore will cooperate to promote skills development, growth, innovation, and resilience.

### MoU on digital identities

This MoU will support the smooth operation of digital identity systems between the UK and Singapore, so that businesses and individuals can participate in the international digital economy with more confidence and security. Both countries will work towards mutual recognition of digital identity approaches, which will allow digital identities to be used for cross-border transactions.

### MoU on electronic invoicing and electronic trade documents

This MoU aims to provide solutions to the barriers faced when digitising trade, encouraging businesses to use electronic invoicing and electronic trade documents. It will establish a pilot project to highlight the benefits of the UK and Singapore sharing electronic Bills of Lading – the main commercial document used in the shipment of goods.

By removing expensive and antiquated paper record keeping, this will help to reduce costs for businesses, drive more competitive pricing for consumers, and reduce the carbon footprint of trade.