

Singapore

ARTICLE 10: FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

Singapore's approach to streamlining trade documentation

The idea for Singapore's National Single Window (NSW) was borne from discussions in the 1980s on continued economic growth. Through extensive meetings and discussions with government agencies, companies, organisations and industry associations, all parties agreed that significant savings would result from reducing the burden of trade documentation handling.

In December 1986, the TradeNet® project was announced with a target to bring the system online within two years. Building TradeNet® was a technical challenge. To have it go live on time, the TradeNet® team focused on simplifying information required for exchange and transaction processing components of the system. Other capabilities to handle more complex processes were planned to be implemented in a phased approach.

Singapore launched TradeNet®, the world's first NSW, on 1 January 1989. By December 1989, TradeNet® handled about 45 per cent of all trade documentation for sea and air shipments. The success led to the government mandating the use of TradeNet® for all trade transactions in 1991, two years ahead of schedule.

TradeNet® is available 24 hours a day, 7 days a week. Permit application approvals are conveyed electronically to the sender through TradeNet® within 10 minutes in 99% of the cases. The cost and turnaround time for the preparation, submission and processing of trade and shipping documents have been significantly reduced. By adopting a risk management approach using the information declared by traders in TradeNet®, cargoes which are assessed to be of low risk are cleared quickly and seamlessly without unnecessary delays at the border.

TradeNet® has undergone regular updates and enhancements to streamline trade documentation procedures, align to new international standards and promote consistency and uniformity in product classification. In the last version upgrade in 2012, changes were made to align TradeNet® with the latest WCO Data Model and to incorporate the revised ASEAN Harmonized Tariff Nomenclature (AHTN), with an approximate 15% increase in the number of tariff lines to take into account the amendments by the WCO and ASEAN. Amendment and cancellation rules for payment permits involving non-dutiable goods were also streamlined to help ease traders' cash flow burden.

In 2007, TradeXchange® was launched to serve as the neutral and trusted integrated IT platform that enables the exchange of both Business-to-Business (B2B) and Business-to-Government (B2G) information and seamless inter-connectivity among commercial and regulatory systems for the Singapore trade and logistics community, to facilitate the flow of goods.

In September 2018, Singapore Customs launched the Networked Trade Platform (NTP) to connect players digitally across the trade value chain in Singapore and provide onward connectivity to their counterparts abroad. In the first phase, it took on the work of TradeXchange (providing a marketplace for third-party digital services for B2B transactions), and TradeXchange was decommissioned.

NTP has three key focus areas, namely: cross-border digital connectivity, B2G interactions and government data services.

NTP enhances cross-border digital connectivity through direct Government-to-Government exchange of regulatory documents and data with key trading partners and economic giants to support Singapore's trade competitiveness. For documents issued by one regulator primarily for use by another regulator, NTP can provide Customs and other Singapore Competent Authorities (CA) with digital connectivity to overseas regulators. Singapore traders will be able to empower NTP to digitally receive or transmit their regulatory documents to and from overseas regulators. This can facilitate a more efficient flow of goods as digital transmissions reduce time lags common with paper documents, and more importantly reduces fraud and the need to validate and verify documents as recipients are assured of its authenticity because it comes from the source/issuer. The ongoing exchange of electronic Preferential Certificate of Origin (ePCO) and electronic Certificate of Non-Manipulation (eCNM) between China and Singapore, and the exchange of ePCO between Singapore and other ASEAN countries are good examples. We are also working to implement the exchange of food certificates between Singapore Food Agency and counterparts in Australia.

For B2G interactions, Singapore Customs continues to review and redesign digital workflows to make it even easier and more efficient for Singapore traders to transact with regulators in Singapore. The marginal value of speeding up permit approvals from the current 10 minutes on average is likely to be negligible. Instead, Singapore Customs is focusing on trade-related processes immediately prior to and after the regulatory transactions with the Government which has remained either paper-based or are conducted in various unconnected IT systems throughout the trade and logistics ecosystems. Where Government is one of the parties in the transaction, NTP will use this leverage to create digital workflows and linkages to enable traders to aggregate information and data more easily and efficiently to fulfil their compliance requirements either with Singapore Customs or other CAs.

One example of such B2G interactions would be the electronic Banker's Guarantee Programme (eBGP). Banks are already digitally connected to NTP for trade finance transactions. The eBGP leverages this connectivity to enable banks to transmit digital data on BGs directly to Customs, reducing the potential of Customs receiving a fraudulent BG. The eBGP also eliminated the need for traders to make 2 courier journeys to pick up and deliver the paper BG to Customs, thus reducing lag times and improving overall efficiency of the BG lodgement process.

Singapore Customs leverages the role of Government as a regulator with trusted government data, to build novel, unique and relevant government data services to address specific gaps, and anchor trade to and from, and through Singapore. One such example would be the Containerised Track and Trace Service, which is a collaboration with General Administration of Customs of the People's Republic of China (GACC). This service enables Singapore-based traders to have visibility of the status and location of their containerised shipments between two ports in China and Singapore. Domestically, Singapore Customs stitches together customs data with vessel data from the port authority, as well as container data from the terminal operator, prior to sharing with GACC who will do likewise.

In its four years of operation, NTP has had a significant increase in number of users - from the approximately 200 migrated from TradeXchange to almost 6,000 today.

WHAT'S NEXT?

Singapore Customs will continue to intensify efforts and density of cross-border digital connectivity. The NTP, as a government-owned and operated platform, is in a unique position to support macroeconomic objectives of trade competitiveness for Singapore, optimising ecosystem competitiveness. Equipped with appropriate tools, its government and non-commercial position will enable it to straddle both G2G, B2G, G2B and facilitate and enable B2B digital connectivity such that a trader is able to use the NTP as needed to transmit or call for data (e.g., Government data services) to complete both B2G and B2B transactions. The NTP will also build up its technical capabilities to enable traders to bridge between different private sector systems in our local trading ecosystem, be it between firms, platforms or trade blocs that might form in the future.