



## SINGAPORE CUSTOMS MEDIA RELEASE

### SINGAPORE CUSTOMS BOOSTS PRODUCTIVITY OF TRADE AND LOGISTICS INDUSTRY THROUGH KNOWLEDGE TRANSFER AND TECHNOLOGY

- launches Singapore's first dedicated public institution providing specialised courses on Customs matters to the business community
- showcases three new services on TradeXchange, one of the first multi-party collaborative trade platform in the world

Singapore Customs today unveiled its new training institute for Customs matters. The Singapore Customs Academy was launched by Mrs Josephine Teo, Minister of State for Finance and Transport, this morning at the agency's event to mark International Customs Day.

#### **Singapore Customs Academy: An institution dedicated to the sharing of customs knowledge**

As Singapore's first dedicated facility providing specialist Customs training, the Singapore Customs Academy will serve as a centre of excellence in customs knowledge and competencies, reaching out to the local trading and logistics community to help them understand Customs requirements. It will also provide training for Singapore Customs officers as well as foreign officials in customs areas.

In today's globalised world, it is important that businesses keep up-to-date with the latest Customs schemes, regulations and best practices to boost their compliance capacity. As businesses innovate to take advantage of new markets and opportunities, Singapore Customs designs and implements schemes to facilitate trading activities. As trade facilitation is premised on traders' ability to comply with the various Customs requirements, it is vital that companies be equipped with the relevant knowledge and capacity to comply with Customs regulatory requirements to enjoy the benefits of increased trade facilitation.

The Academy will offer an increased range of courses specially designed for the business community, covering areas such as customs procedures, import and export documentation requirements and tariff regimes. To better cater to the diverse needs of the trading community, the courses will be offered in a modular format, providing traders with the flexibility to attend courses in accordance with their specific needs. Overall, course capacity will also be increased. With the number of course runs doubling to 50, more than 2,200 training places will be available annually.

The courses will be conducted by a pool of experienced Singapore Customs trainers with in-depth expertise in the various Customs domains. The Academy will also provide an avenue for valuable exchange of customs knowledge and new industry trends between Singapore Customs and the trading community.

Aside from the new facility located at the second level of Revenue House, the Academy will have a virtual presence through an online portal to facilitate e-learning and downloading of course materials. The portal provides 24/7 access to e-learning resources, videos and slideshows to complement the courses conducted at the Academy.

“With the setting up of the Academy, we have re-packaged our courses and also introduced new ones to better suit the needs of businesses. We intend to build up our knowledge base over time to promote the development and sharing of customs knowledge within Singapore and in the global community,” said Mr Fong Yong Kian, Director-General of Singapore Customs.

### **TradeXchange: Increased Productivity and Business Agility for TradeXchange Users**

Also showcased at the event were three new integrated supply chain solutions that went live in 2011, which were enabled by the TradeXchange platform. These three solutions involved the re-engineering of business processes by companies across the supply chain to seamlessly exchange information in the areas of trade permit preparation, trade finance applications and marine cargo insurance applications. As a result, companies were able to enjoy up to 50% time saving in trade permit preparation; up to 90% time saving in marine cargo insurance

applications; and faster approval and lower costs in trade finance (factoring) applications<sup>1</sup>. The outcome was higher productivity and increased business agility for the various companies involved.

Led by Singapore Customs, and partnered with Infocomm Development Authority of Singapore, Economic Development Board and SPRING Singapore, TradeXchange is developed as one of the first multi-party collaborative platforms for the trade and logistics communities in the world.

Expanding from the benefits of TradeNet, TradeXchange enables companies to integrate with their business partners, share and re-use common information and data through a neutral and secure platform for faster and more efficient Business-to-Business and Business-to-Government transactions. This is done through the use of common data standards, which allows data generated from source to be shared and re-used by multiple parties across the supply chain. The open access model of TradeXchange also allows companies to connect once to the TradeXchange platform to access multiple parties across the supply chain.

As of Feb 2012, more than 100 companies, including manufacturers, logistics companies, banks and insurance companies have benefitted from TradeXchange, with more to come in future as more companies use the TradeXchange platform to integrate with their supply chain partners.

**ISSUED BY: SINGAPORE CUSTOMS**      新加坡关税局  
**KASTAM SINGAPURA**              சிங்கப்பூர் கங்கத்துறை

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<sup>1</sup> For more information on the three solutions, please refer to the appended factsheet on TradeXchange.

## FACTSHEET ON TRADEXCHANGE

### Background

TradeXchange was launched in 2007 to provide the trade and logistics community with a neutral and secure IT platform to enable seamless exchange of information across the supply chain. TradeXchange is a multi-agency initiative led by Singapore Customs, the Infocomm Development Authority of Singapore, the Economic Development Board and SPRING Singapore.

In 2009, a TradeXchange call-for-collaboration (CFC) was called and 4 consortia, involving 22 companies, were awarded grants in February 2010 to integrate their key trade and logistics IT systems, business processes and data through TradeXchange. By having the trading community re-engineer and integrate their trade processes through a single data exchange platform, and pass on documents and information in industry-accepted standardised formats, TradeXchange reduced the need for multiple data entries as data can be exchanged and re-used electronically, achieving reduced errors and faster completion of trade related processes. The overall outcome being the achievement of higher productivity and increased business agility for the various companies involved.

As of Feb 2012, more than 100 companies, including manufacturers, logistics companies, banks and insurance companies have benefitted from TradeXchange in the areas of trade permit declarations, and applications for trade finance and marine cargo insurance.

### Increased Productivity and Business Agility for TradeXchange Users

#### Trade Permit Preparation

For trade permit declarations, TradeXchange enabled shippers to transmit their shipping information seamlessly from their enterprise resource planning systems to TradeXchange so as to auto-populate trade permit declaration forms. This cut down the preparation time for trade declarations by up to 50% – from between three to four days, to just one to two days with the integration through TradeXchange. The process also reduced the need for manual

data entry by logistics service providers, improved data accuracy, and resulted in overall faster turnaround for trade permit approvals.

### Marine Cargo Insurance Applications

For marine cargo insurance applications, TradeXchange enabled freight forwarders applying for marine cargo insurance through TradeXchange to reduce the preparation and processing time for their applications by up to 90% and enjoy instant approvals for their cargo insurance applications. The streamlined integration of their systems through TradeXchange also allows freight forwarders to access multiple insurance companies through the single connection to TradeXchange. Likewise, insurance companies connected to TradeXchange can connect to multiple freight forwarders through TradeXchange.

### Trade Finance (Factoring) Applications

For trade finance applications, TradeXchange enabled finance documents such as invoices to be exchanged electronically and securely amongst the suppliers, buyers and banks. This cuts down the amount of manual processing, increases the visibility of documents needed for finance verification, lowers administrative costs and improves the overall turnaround time for finance applications, resulting in faster approval of finance applications and more competitive financing services for suppliers. By bringing suppliers, buyers and banks closer together, TradeXchange also enabled banks to give suppliers credit based on the buyers' credit risk, thereby allowing more suppliers to get access to trade finance.