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## **MEDIA RELEASE**

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### **Singapore Customs makes available trade data via the Networked Trade Platform to augment trade finance compliance efforts against money laundering and terrorism financing**

A new government e-service, Trade Finance Compliance (TFC), was introduced on 5 September 2019 on the Networked Trade Platform (NTP). The new e-service is a result of a joint government-industry partnership between Singapore Customs, the Monetary Authority of Singapore (MAS) and leading financial institutions. It aims to address compliance challenges faced by financial institutions when financing trade because of the inability to validate the underlying trade and the lack of reliable data to conduct price checks for non-commodity goods.

Using data derived from permits issued by Singapore Customs, the TFC service will now allow financial institutions to reference such information to augment their checks for trade finance compliance. To ensure proper data governance, traders can give consent on the NTP for their data to be shared directly with financial institutions of their choice.

“The TFC service is a valuable risk management tool. By digitalising the trade finance compliance check process and directly referencing pricing and permit-related customs data on Singapore imports and exports, the TFC will increase the efficiency and accuracy of trade finance compliance checks for financial institutions in Singapore. As a result, these financial institutions will be able to better assess fraud and mitigate risks associated with trade-based money laundering,” said Gillian Tan, Executive Director, Financial Markets Development Department, MAS.

Currently BNP Paribas, DBS Bank, ICBC, MUFG Bank, OCBC Bank and UOB have signed up for the TFC Service on the NTP.

The NTP is the one-stop trade and logistics ecosystem for Singapore and will be introducing a series of initiatives to link up the various parts of the trade ecosystem to

enable all stakeholders to reap the benefits of digitalisation, connectivity and interoperability.

“The TFC service is a result of collaborative efforts between industry and government agencies. We worked with some of our leading trade finance banks and the MAS to digitalise the trade finance compliance process and how data from our permits issued by Singapore Customs can be made available to augment the trade finance compliance needs of our financial institutions. We will continue to work closely with the industry and our government partners to digitalise the trade and trade finance processes, and develop new and innovative services for the trading community on the NTP,” said Ms Serene Ho, Director NTP Office, Singapore Customs.

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## ANNEX

### About the Trade Finance Compliance (TFC) Service

The TFC Service consists of 3 functions that are available on the Networked Trade Platform (NTP). Of the 3 functions, 2 of them would require traders' consent to Singapore Customs via the NTP before the data<sup>1</sup> can be released to specific Financial Institutions to support trade finance compliance checks. The table below details information about the 3 functions.

	<b>Name of function</b>	<b>Consent required</b>	<b>Details of function</b>
1.	Companies Price Check	No	<u>Anonymised data</u> that allows the financial institutions to check for unit price at HSCode level. Mean, median, and interquartile prices will be made available.
2.	Company Price Check	Yes	<u>Company specific data</u> that allows financial institutions to check for unit price at HSCode and company level. The data is available up to a period of one year from transaction date.
3.	Trade Validation	Yes	<u>Company specific data</u> that allows financial institutions to check for associated import or export permits for an invoice. For strategic goods <sup>2</sup> , additional information will be provided about the company.

### How the TFC addresses the compliance challenges faced by financial institutions when financing trade

Currently, financial institutions do not have a reliable and trust-worthy source for price checks for non-commodities. The checking process is also labour intensive and is reliant on the financial institutions' relationship with the clients. The check relies mainly on clients providing documentation to the financial institutions, with no validation of the information, such as validation with import or export permits from Singapore Customs.

The introduction of the TFC Service on the NTP will now enable all trade finance transactions for non-commodities to be verified from a reliable source of data derived from permits issued by Singapore Customs.

### How can the traders give consent on the NTP

Traders can sign up for an NTP Account to give consent for the release of data. To find out how to sign up for an NTP account, visit <https://www.ntp.gov.sg>.

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<sup>1</sup> The data for TFC is derived from Singapore Customs' permits for the purpose of import or export permit issuance under the Regulation of Imports and Exports Act (RIEA). Traders would need to authorise Singapore Customs to release their data to financial institutions for specific purposes.

<sup>2</sup> Strategic goods as controlled under the Strategic Goods (Control) Act (SGCA).