



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

## MEDIA RELEASE

18 November 2020

### **Singapore Customs launches first comprehensive and secure electronic Bankers' Guarantee programme on the Networked Trade Platform**

Singapore Customs launched the first comprehensive electronic Banker's Guarantee (eBG) programme on the Networked Trade Platform (NTP) on 2 November 2020. The implementation of a fully digitalised eBG is a result of a joint government-industry collaboration between Singapore Customs and financial institutions, accelerated by the new normal brought on by the Covid-19 pandemic.

2 The eBG programme guarantees data authenticity from source and offers greater efficiency as it removes the need for the issuance and delivery of paper BGs by participating banks to Singapore Customs. Traders can look forward to smooth and seamless transactions with the elimination of physical touchpoints and be assured of business continuity even in the face of disruptions.

3 Banks and traders can now experience a fully paperless process in the BG process, including lodgement, claims and discharge of the BG. Participating banks can now lodge or extend an eBG with Singapore Customs by sending structured data digitally via the NTP. This reduces the transit time to almost zero with a processing lead time of one day, thereby improving the efficiency of the BG lodgement process.

4 The eBG programme also caters for early discharge of the BG via electronic means, which means that traders will not need to collect the physical BG and letter of discharge from Singapore Customs and return it to the issuing banks, saving effort and cost. The eBG programme has been successfully piloted since March 2020, accounting for about 65% of the BGs issued by the participating banks to the Singapore Customs between March and October 2020.

5 “Singapore Customs is proud to be the first agency in Singapore to implement an electronic, paperless BG programme, in collaboration with the banks via digital connectivity of the NTP. We hope that the eBG programme will be a catalyst for the industry and inspire more collaboration with like-minded partners, domestically and overseas to facilitate trade,” said Ms Choo Wai Yee, Director of NTPO.

6 The move to fully digitise BG via implementation of the eBG programme is a novel concept made possible by the participating financial institutions’ leveraging the secured data exchange functionality on the NTP. It is part of the NTP’s efforts to connect various parts of the trade and logistics ecosystem to enable stakeholders, in Singapore and abroad, to reap the benefits of digitalisation, connectivity and interoperability, which will provide the foundation for Singapore to be a leading trade, supply chain and trade financing hub.

7 Ms Choo added, “The eBG programme has seen a high conversion rate from existing paper BG to electronic BG since we launched the comprehensive eBG programme on 2 November 2020. We are confident that this eBG programme will enable banks and traders to reap the full efficiency, time and cost savings and increased productivity through the digitalisation of the BG process.”

8 To date, BNP Paribas, DBS Bank, OCBC Bank, SMBC and UOB have signed up for the eBG programme. Since the launch of the comprehensive eBG programme on 2 November 2020, 100% of the BGs issued by participating banks with Singapore Customs as the beneficiary were eBGs, and the customers came from various sectors like the auto, export declaration agent, general ship supplies and marine solutions (including marine logistics, ship agency and lubricant brokerage) and the food and beverage industry.

9 Sofia Hammoucha, Head of Transaction Banking, Southeast Asia, BNP Paribas noted, “We are pleased to be among the first banks to partner Singapore Customs on this digital transformation initiative. As a global leader in Trade Finance, we are committed to continue our strong collaboration with Singapore, notably on initiatives on the NTP. In a world that is moving faster than ever and undergoing deep transformation, we strongly believe that joint government-industry collaboration is key to effectively help the trade community streamline processes and improve efficiency.”

10 “Innovation and digital solutions are no longer a luxury but an essential tool to ensure businesses are well-prepared to operate in an environment characterised by geopolitical tensions and circuit breakers. The Singapore Customs’ eBG programme is an important step in the right direction as it works towards the end-to-end automation of the bank guarantee process for traders and banks, enabling trade ecosystems to transcend physical constraints, address age-old manual pain-points and unlock greater efficiencies through the digitalised process wherein the transactions are

completed in a matter of hours,” said Sriram Muthukrishnan, Group Head of Trade Product, DBS Bank.

11 Said Mr Melvyn Low, Head, Global Transaction Banking, OCBC Bank, “The launch of the eBG programme was a big step in the right direction for the digitalisation movement. It has benefited many of our trade finance customers and, the process is now truly digital from end-to-end. Together with partners like Singapore Customs, we will continue to lead the digital transformation efforts in this space and bring more of such time-saving, convenient solutions to our customers.”

12 “COVID-19 is amongst many disruptions across the globe to reinforce the need for digitalisation and the move away from paper-based trade processes so that businesses can function more effectively. As one of the leading banks in Japan, SMBC has accelerated our plans and we are taking bigger, and quicker steps in our digital transformation journey to better enable our customers during this time of the pandemic.” said Mr Yoshiaki Kageyama, Managing Executive Officer and Co-Head of Asia Pacific at Sumitomo Mitsui Banking Corporation. Mr Chow Ying Hoong, Managing Executive Officer and Co-Head of Asia Pacific, added that “SMBC fully supports the Singapore government’s digital initiative and roadmap. Our approach to technology and innovation has always been about bridging our stakeholders to the future. We are very pleased to collaborate with Singapore Customs as a participating bank of NTP and the newly launched eBG programme to spur innovation in trade finance.”

13 Ms So Lay Hua, Head of Group Transaction Banking, Group Wholesale Banking, UOB, said, “UOB is pleased to join Singapore Customs as a key partner on the eBG Programme. The eBG Programme is the result of a successful joint government-industry initiative that will enable companies to enjoy a paperless, streamlined and efficient BG lodgement process with Singapore Customs. It will play an integral role in facilitating smooth trade flows, especially as intra-regional business is expected to grow further with the signing of the Regional Comprehensive Economic Partnership. Coupled with the use of Networked Trade Platform for the uploading of BG data, the digitalisation of trade will make it even more convenient for companies doing business in Singapore.”

**Singapore Customs**  
**18 November 2020**

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**Annex A: Quotes from traders on the electronic Bankers’ Guarantee programme on the Networked Trade Platform**  
**Annex B: EBG Programme Flow – Lodgment Process**  
**Annex C: EBG Programme Flow – BG Claim Process**

**Annex A Quotes from traders on the electronic Bankers' Guarantee programme**

| <b>Company Name and contact point</b>   | <b>Quote</b>  |
|---|---|
| <p><b>Eurokars Group</b><br/>                     Angeline Tan, Group PR &amp; Corp Comm<br/>                     HP: 92370438</p>                                  | <p>“The electronic and paperless submission of our Banker’s Guarantee (BG) to Singapore Customs is a quantum leap forward in enabling us to save time and achieve greater efficiency and productivity. We will benefit greatly from the quick turnaround time, absolute ease and cost savings. We welcome the introduction of the Singapore Custom's Electronic Banker's Guarantee Programme and look forward to a faster and more convenient BG application process.”<br/>                     - <i>Mdm Zoey Toh, Chief Financial Officer, Eurokars Group</i></p>  |
| <p><b>Con-Lash Supplies Pte Ltd</b></p>   | <p>“We successfully submitted our first eBG to be issued to the Singapore Customs via UOB’s business internet banking service. It was a swift and seamless process, thanks to UOB who guided us in understanding the eBG issuance process and using the e-service every step of the way. From the one week typically needed to lodge a banker’s guarantee with the Singapore Customs, it now takes just two days. The eBG Programme is efficient and its launch is also very timely, as we no longer need to handle paper documents now amid remote working arrangements during the pandemic.”<br/>                     - <i>Mr Tony Ng, Managing Director of Con-Lash Supplies Pte Ltd</i></p> |
| <p><b>I-MAMUN Pte Ltd</b><br/>                     Mr Shawn Lee, Customs Brokerage Manager<br/>                     HP: 91462721</p>                                | <p>“We found out through an OCBC marketing email, that Singapore Customs had launched this Electronic Bankers Guarantee Programme. Being an innovative Customs declaring agent, we were delighted that our bank, OCBC can issue the BG and deliver it electronically to Singapore Customs on our behalf as it matches our company mission "INVEST IN INNOVATION, INVEST IN I-MAMUM", bear the cost, saving us time and effort, and no more worry of delay or lost in transit. We heard that subsequent extensions can also go by eExtention. Great initiative !!”<br/>                     - <i>Mr Shawn Lee, Customs Brokerage Manager</i></p>   |
| <p><b>Megafreight Services &amp; Trading Pte Ltd</b><br/>                     Ms Toh<br/>                     Tel: 07-5585572/<br/>                     5585573</p> | <p>“This initiative could not have come at a better and critical time such as this. We are based on Malaysia. So when we heard from OCBC that they will issue this BG for us in electronic form, and even deliver it for us directly to Singapore Customs, we were extremely delighted. In the past, the paper BG process used to be time consuming for our staff, as they had to co-ordinate the documentation and arrange for it to be couriered which was further challenged during the lockdown period. Not only does electronic</p>  |

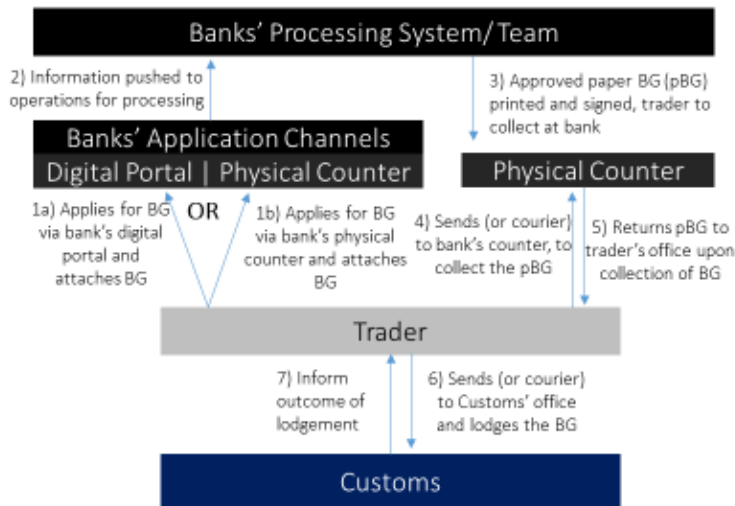
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|  | <p>bankers' guarantee save us time, cost and resources, it gives us peace of mind that our BG is directly delivered by our Bank to Customs."</p> |
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*- Mr Teh Boon Eng, Director, Megafreight Services & Trading Pte Ltd*

## Annex B EBG Programme Flow – BG Lodgment Process

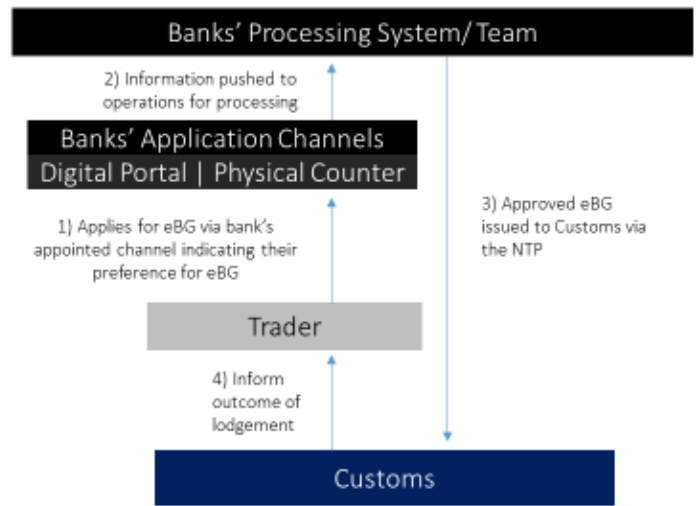
### Singapore Customs EBG Programme Flow Lodgment Process

#### Traditional Paper BG



- Traders have to make up to 3 trips to banks and Customs' counter for a single BG lodgment.
- Multiple physical touchpoints at both banks and Customs' counter.
- End-to-end process takes approx. 10 working days due to repeated data entry, waiting time from document readiness to arrangement for courier and multiple courier services required.

#### Enhanced EBG (Launched in Nov 2020)

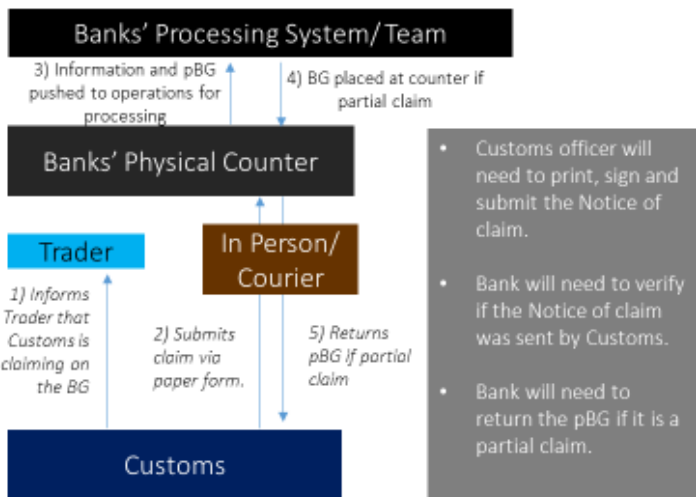


- Customs eliminates the need to authenticate the eBG as it comes directly from issuer.
- Eliminates the need for couriers and removes all physical touchpoints.
- Further improves end-to-end turnaround and simplified processes down to a processing lead time of one day.

## Annex C EBG Programme Flow – BG Claim Process

### Singapore Customs EBG Programme Flow Claims Process

#### Traditional Paper BG



#### Enhanced EBG (Launched in Nov 2020)

