

Annex A

FACTSHEET

SINGAPORE-CHINA (SHENZHEN) SMART CITY INITIATIVE (SCI)

The Memorandum of Understanding (MOU) on the Singapore-China (Shenzhen) Smart City Initiative (SCI) between Ministry of Communications and Information (MCI) and the Shenzhen Municipal People's Government was signed on 15 October 2019 at the 15th Singapore-China Joint Council for Bilateral Cooperation (JCBC) meeting in Chongqing, China.

The SCI reaffirms Singapore's commitment and support for digital connectivity, contributing to the development of the Greater Bay Area (GBA).

Cooperation between Singapore and Shenzhen will enable enterprises and talents from both cities to better seize the economic opportunities through deeper digital linkages between the two innovation ecosystems. Singapore-based enterprises will be able to access greater market opportunities in the GBA. As a global-Asia node, Chinese companies will be able to enter the Southeast Asian markets through Singapore with ease.

Priority Projects

Under the MOU, both parties will be exploring cooperation in the following focus areas:

- Digital Connectivity. To build digital connectivity and linkages in data, digital standards, finance and trade.
- Talent Exchange and Development. To promote and develop two way talent exchange and development.
- Technology Collaboration, Innovation and Entrepreneurship. To explore technology collaboration as well as develop innovation and entrepreneurship activities.
- Demonstration Zone. To support the establishment of demonstration zones in both cities.

Both cities have since identified a first batch of seven priority projects to be kick-started:

No.	Priority Project	Description
1.	Digital Payment	Explore cross-border digital payments to enable users of both cities to connect to each other's business ecosystems.
2.	Digital Trade	Facilitate the conduct of paperless cross-border trade and trade financing pilots by participating business entities between both cities through coordination of necessary policy measures, to demonstrate the value of trade digitalisation.

3.	Digital ID	Explore mutual recognition of digital identities for businesses and individuals to facilitate immigration, business activities, tourism, services and residence.
4.	Cross-Border Data	Explore the establishment of cross-border data management mechanism to ensure that data are used safely and reliably in cooperation projects.
5.	Tech Talent Exchange and Development	Jointly strengthen talent exchanges between Singapore and Shenzhen, and help enterprises with presence on both sides to access the tech talent they need in their respective markets.
6.	Innovation & Entrepreneurship	Deepen collaboration in innovation and entrepreneurship to support and facilitate two-way flow between Singapore and Shenzhen tech startups and SMEs.
7.	Cross-border Dispute Resolution	Explore the establishment of an international dispute resolution model that allows companies with business interests in China and Singapore to resolve cross-border disputes more efficiently and effectively.

The Joint Implementation Committee (JIC)

A Joint Implementation Committee (JIC), co-chaired by Permanent Secretary for MCI Ms Yong Ying-I and Shenzhen Mayor Mr Chen Rugui has been established to oversee and guide the implementation of the SCI projects. The Infocomm Media Development Authority (IMDA) and the Shenzhen Government Services Data Bureau will serve as the JIC Joint Secretariat and work closely with businesses and government agencies of both cities.

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MOU 1: COOPERATION ON PAPERLESS CROSS-BORDER TRADE AND TRADE FINANCING

Background

Under the Singapore-China (Shenzhen) Smart City Initiative, the Infocomm Media Development Authority (IMDA) and the Commerce Bureau of Shenzhen Municipality have signed an Memorandum of Understanding (MOU) to strengthen cooperation in the area of paperless cross-border trade and trade financing. Given the unique and strategic roles of Singapore and Shenzhen as key nodes in Southeast Asia and the Guangdong-Hong Kong-Macao Greater Bay Area, this cooperation will help develop greater business connectivity and opportunities for commercial entities operating in these economic zones.

Details

The COVID-19 pandemic has severely disrupted supply chains and impacted businesses all over the world. Industries are witnessing an unprecedented collapse of value chains in many sectors, including transport and logistics, with major implications on the supply of goods and essential products that are needed. This heightens the importance of the need to address issues faced by commercial entities in digitalising cross-border trade and trade financing.

This cooperation aims to provide legal certainty for negotiable electronic trade documents used for trade financing purposes, which in turn facilitates the digitalisation of their processes. This will help improve overall productivity, reduce financing turnaround time and lower financial risk for parties that are involved. Over time, this improvement in the process will also help to promote trade growth between the two countries.

Coming into effect on the 17th June 2020, the MOU will remain in effect for 24 months and will focus on the facilitation of paperless cross-border trade and trade financing by achieving the following:

- Legal recognition of digital trade documents, such as the electronic Bills of Lading (eBLs) and electronic commercial contracts (e-Contracts), that are exchanged between commercial entities operating within the two respective cities, for trade financing purposes, through the use of policy and regulatory sandboxes; and
- Participating commercial entities operating within the two respective territories will conduct different pilots that involve cross-border trade financing through Letter of Credit (LC) arrangement with banks, as well as facilitating the trade financing for importers and exporters through a collaboration between Export Credit Insurance Companies and Banks. The pilots will demonstrate both the possibility of a fully electronic presentation and negotiation of required documents for the LC processing, as well as the ability to verify trade authenticity using data from the trade, export credit insurance policies and financing of the companies.

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MOU 2: DEVELOPMENT OF DIGITAL PLATFORM FOR CROSS-BORDER TRADE FINANCING

Background

DBS, Yang Kee Logistics and Sinasure have agreed to collaborate on helping Yang Kee Logistics' clients access export credit insurance for trade activity with Shenzhen. The initiative is especially timely in the post COVID-19 period as Shenzhen starts to ramp up its exports to bolster its economy, while Singapore companies look to restart their business and trade activities.

To support these economic trends, Yang Kee Logistics' global clientele will be encouraged to tap on export credit insurance policies provided by Sinasure wherever relevant. Accordingly, DBS will provide trade financing support to facilitate such trade collaborations where applicable, subject to usual bank risk evaluation. In the longer term, all parties will explore the introduction of a closed-loop digital platform to facilitate more efficient trade financing processes.

Details

In the first instance, Sinasure will facilitate trade credit insurance for Yang Kee Logistics' clients. At the same time, DBS will actively assess trade financing support for Yang Kee Logistics' clients under the credit insurance of Sinasure. With the collective support of all three parties, customers could stand to benefit from better transaction terms as they engage their suppliers. These could potentially encourage trade growth between Singapore and Shenzhen.

All parties shall provide supply chain services, warehouse design services as well as integrate existing clients' portfolio wherever needed.

In its initial phase, the collaboration aims to benefit Singapore SMEs looking to trade with Shenzhen, with the potential to progressively include more companies at a later stage.

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MOU 3: COOPERATION ON CROSS-BORDER TRADE FINANCING FOR MEDICAL EQUIPMENT

Background

ITS (ITS Science & Medical Pte Ltd), MINDRAY and Sinosure have agreed on a series of initiatives to help ITS and their clients who may require Export Credit Insurance whenever there are China export oriented businesses. The initiative is especially relevant during the post COVID-19 period where China continues to be a key exporter of medical solutions and Singapore companies seek to tap on global smart solutions for the healthcare sector. ITS, MINDRAY and Sinosure agreed that their global client shall be encouraged to benefit from such export credit insurance policies wherever relevant. In this context, MINDRAY shall provide healthcare solutions through ITS to optimise the smart healthcare segment.

Details

As an export credit insurance company, Sinosure facilitates trade credit insurance for ITS clients and actively supports the business requirements for both ITS and MINDRAY. MINDRAY will facilitate the product support from technical and solution design, alongside the delivery to support ITS's clients under the credit insurance of Sinosure. ITS shall work with their current healthcare clients in order to maximise the support given by Sinosure and MINDRAY, and strive to develop the healthcare business in both cities.

ITS shall provide logistics services and solutions wherever relevant and also collaborate with the current vast clientele whenever relevant for Sinosure and MINDRAY. Given the support of export credit insurance by Sinosure and supply chain service by ITS, these series of initiatives will potentially encourage trade growth between China and Singapore. All parties shall provide medical solutions and technologies as well as integrating existing clients' portfolio wherever needed.

The target audience and beneficiaries shall be foremost the current healthcare clientele within Singapore inclusive of restructured hospitals, private hospitals and healthcare facilities, nursing homes and polyclinics. Progressively, the scope shall be extended at a later stage. The series of initiatives aims to facilitate trade growth between China and Singapore as well as allowing Singapore companies to enjoy better terms of trade by participating in these initiatives. Through providing these comprehensive value-added services, ITS shall not only enhance its solution and service offerings but also fulfill the responsibility as a good corporate citizen. The initiatives are expected to benefit trading businesses and healthcare solutions exchange between China and Singapore.

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MOU 4: ESTABLISHMENT OF ASIAN SME HUB

Background

The Asian SME Hub, which will be developed, managed and operated by OneConnect, aims to enable SMEs to forge trusted cross-border partnerships to access new market demands, as well as equip SMEs with the ability to conduct trusted business transactions with matched product and service offerings.

Details

The Asian SME Hub will be developed and hosted by OneConnect in Singapore for three years. It aims to build an ecosystem of buyers, sellers, logistics service providers, financing, and digital solution providers, to enable Singaporean and Southeast Asian SMEs unlock cross-border trade opportunities more seamlessly. By connecting businesses across China and the ASEAN markets, the platform will allow SMEs to more readily discover relevant sales and partnership opportunities beyond their domestic markets. The benefits include:

- Enable SMEs to access new market demands, conduct trusted business transactions (via an integrated eKYC utility) on the Asian SME Hub, and be connected to a thriving B2B digital ecosystem of data providers, service providers, solutions providers, finance institutions, enterprises, B2B platforms and overseas markets.
- Be a hub facilitating networking and partnership between enterprises for innovation and digital solutions. The platform will start by facilitating trade then broaden into services and innovation partnerships. For example, through the Asian SME Hub, a technology enterprise in China can collaborate with Singapore SMEs for technology adoption and develop or customise solutions for the local and regional markets.
- Increase Singapore SMEs' access to the China market, by connecting them to a buyer base of 4 million SMEs in the YiQiYe SME Ecosystem, through business matching algorithms identifying most relevant products to Chinese Buyers and Singapore SME Suppliers.
- Raise Singapore SMEs' capabilities for cross-border transactions with access to Automated Push Financing provided by reputable Financial Institutions that will enhance the SME experience in selling to overseas markets.
- Create new business opportunities for enterprises in related sectors such as financing, legal, corporate services, banking, logistics, etc., as well as digital solution providers including e-payment.

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MOU 5: INNOVATION AND ENTREPRENEURSHIP COOPERATION

Background

As part of the Singapore-China (Shenzhen) Smart City Initiative (SCI), Enterprise Singapore (ESG) signed an Memorandum of Understanding with the Shenzhen Municipal Service Bureau for Small and Medium-sized Enterprises (SZSMEB) to promote cooperation in innovation and entrepreneurship activities between Singapore and Shenzhen.

Details

As key tech hubs in the region, Singapore and Shenzhen present many complementary growth opportunities for startups and SMEs. This MOU will further connect the startups and innovation ecosystems of Singapore and Shenzhen, and facilitate exchanges between tech startups and SMEs.

The MOU will see both parties working together to facilitate market access and connections for tech startups and SMEs to the respective cities' startup ecosystems, talent, investors, customers and potential collaborators.

As part of the Global Innovation Alliance (GIA) initiative¹, ESG and SZSMEB will be working closely with partners to organise programmes and activities to introduce Singapore startups and SMEs to the innovation ecosystem in Shenzhen, and link them with potential partners, investors and customers in China via Shenzhen. This will help Singapore startups set up, test-bed and commercialise their solutions, as well as form business partnerships in Shenzhen and other parts of China. The GIA Acceleration Programme in Shenzhen is expected to launch in Q4 2020.

To encourage two-way flow between tech startups and SMEs in Singapore and Shenzhen, SZSMEB will also be working with suitable partners to provide the necessary support, and facilitate market access for Singapore for Shenzhen enterprises.

¹ Global Innovation Alliance (GIA) is a network of Singapore and overseas partners in major innovation hubs and key demand markets, with a focus on technology and innovation. It is a joint initiative between Enterprise Singapore and the Economic Development Board.

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MOU 6: COOPERATION FOR TALENT EXCHANGE AND DEVELOPMENT

Background

As part of the Singapore-China (Shenzhen) Smart City Initiative (SCI), Enterprise Singapore (ESG) and the Shenzhen Municipal Talent Affairs Bureau have signed a Memorandum of Understanding (MOU) to promote cooperation on talent exchange and development between Singapore and Shenzhen.

Details

This is the first MOU to be signed between Singapore and Shenzhen to facilitate talent exchanges under the SCI. This will see greater collaboration between Singapore and Shenzhen to jointly offer internships in the respective markets and support enterprises with their business and talent development².

As key tech hubs in the region, Singapore and Shenzhen present many complementary growth opportunities on the tech front. The collaboration under the MOU will comprise two key components:

- (A) Tech Talent Internship: Tertiary students in Singapore and Shenzhen can intern at businesses that offer exposure to the tech sector in the respective markets. Not only will this help the talents to develop an international mind-set and enhance their competitiveness, enterprises can also tap the talent pool available to build up a young talent pipeline to support their future business plans.

- (B) Tech Talent Access: Enterprises in Singapore and Shenzhen can participate in talent-related platforms in the respective markets such as conferences, forums and other activities. This provides them an avenue to be connected to a wider tech talent pool and in-market collaboration opportunities.

² Activities on talent exchange and in-market business development will only proceed when the current COVID-19 situation improves.

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MOU 7: ESTABLISHMENT OF AN INTERNATIONAL COMMERCIAL DISPUTE RESOLUTION MODEL

Background

With an increase in investment and trade activity, the possibility of an increase in commercial disputes also increases. To ensure that projects and partnerships are not derailed or delayed by disputes, it is integral to provide for an efficient and effective dispute resolution platform that is customised to the needs of the cross-border businesses.

The MOU between Singapore International Mediation Centre (SIMC) and Shenzhen Court of International Arbitration (SCIA) is timely as it provides a platform for a hybrid Alternative Dispute Resolution (ADR) model, enabling businesses to resolve commercial disputes in a time- and cost-effective manner. This safeguards the success of partnerships and projects under the Initiative. It also gives investors and businesses confidence that differences can be resolved effectively without protracted proceedings, allowing parties to maintain valued relations and enjoy new growth opportunities. This promotes successful project delivery and by extension, the success of the Initiative.

Details

Under the MOU, SIMC and SCIA will offer a ‘mediation-arbitration’ (med-arb) service to parties in a dispute.³ This hybrid service combines the significant advantages of mediation – flexibility, the maintaining of relationships, and time- and cost-effectiveness –⁴ with the ease of enforceability under arbitration. These are important concerns of businesses in managing a dispute.

Where parties refer their dispute to SIMC for mediation, any resulting mediated settlement agreement may be converted by the SCIA’s arbitral tribunal into an arbitral award, in accordance with SCIA Arbitration Rules. This allows the award to be efficiently and effectively enforced in China and elsewhere,⁵ ensuring greater finality of outcomes.

Under the MOU, SCIA will also include SIMC as its recognised mediation institution. This means that SCIA will refer cases to SIMC for mediation in the appropriate circumstances. Users will therefore be able to benefit from the expertise of two high-quality dispute resolution institutions. The recognition of SIMC is a testament to SIMC’s standing in the international dispute resolution industry. SIMC has a high settlement rate of approximately 80 per cent. At SIMC, most cases are amicably settled in a day with the assistance of an experienced mediator, to the satisfaction of all parties.

³ Hybrid dispute resolution models are gaining momentum around the world. Research from the Singapore International Dispute Resolution Academy (SIDRA) shows that these offer “certain benefits of mediation, such as focus on preserving the business relationship in addition to cost and efficiency advantages, while at the same time promising finality and enforceability commonly associated with international arbitration” (International Dispute Resolution Survey: Currents of Change 2019 Preliminary Report at p 21).

⁴ The advantages of mediation are well-known, mainly—confidentiality, immense time and cost savings, and allowing parties to maintain relationships for the future. In mediation, parties in dispute are encouraged to iron out their differences and collaborate on solutions with the help of a third-party neutral. With the entering into force of the Singapore Convention on Mediation on 12 September 2020, parties will also be able to efficiently enforce their mediated settlement agreements in countries that have ratified the treaty, thereby helping to resolve the issue of cross-border enforceability of mediated settlement agreements.

⁵ Under the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards, or the New York Convention, an award is potentially enforceable in over 160 states that are party to the Convention.

Under the MOU, SIMC and SCIA will also work together to jointly promote international mediation to serve the needs of businesses. This includes holding joint conferences, seminars, workshops and training sessions targeted at helping business and legal professionals doing business in the region understand effective dispute resolution.

Parties are encouraged to contact SIMC for more information or a non-obligatory discussion of its services. If parties have an outstanding dispute and would like to consider utilising this “med-arb” service, SIMC will be pleased to respond to any questions, and will be able to address any concerns and manage the dispute resolution process with its partner, SCIA.

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MOU 8: COOPERATION IN THE FIELD OF DIGITAL IDENTITY

Background

As transactions shift from the traditional physical, face-to-face interactions to online, verification of one's identity becomes increasingly important. With a recognised Digital Identity, someone could open a bank account, register a business etc. without having to be physically present. The SCI fosters cooperation between the two cities on the development of individual digital identities while ensuring that they are safe and secure. This helps promote interoperability between respective regimes with the aim of mutual recognition of digital identities that can accelerate trade and enable digital services in both cities. The MOU on Cooperation in the Field of Digital Identity is the first step towards mutual recognition; both cities have agreed to study the potential pilot projects of school and visa application under the MOU.

Details

Singapore's Smart Nation and Digital Government Office and China's Shenzhen Government Services Data Bureau have agreed to work towards mutual recognition of the two cities' digital identity regimes.

The agencies have developed a roadmap for each phase of the journey towards mutual recognition starting with cross-border data exchange. The cooperation will focus on legal regulatory frameworks, supporting digital identities, technical standards for implementation of data exchange, and adoption of digital identities by businesses and individuals to promote digital transactions.

The agencies have agreed to study the feasibility of the potential pilot projects of school and visa application. This would reduce time taken for processing of applications and verification of one's identity and facilitate exchanges between both cities.

Summary of MOUs to be inked at JIC Meeting 17 June 2020

S/N	Focus Area	MOU	MOU Signing Parties			
			Singapore	Signatory	Shenzhen	Signatory
1	Digital Connectivity 数字联通	MOU on Paperless Cross-Border Trade and Trade Financing 无纸化跨境贸易及贸易融资领域合作备忘录	Infocomm Media Development Authority 新加坡资讯通信媒体发展局	Ms Jane Lim 林慧贞 Assistant Chief Executive, Sectoral Transformation, IMDA 助理局长, 产业转型事业群	Commerce Bureau of Shenzhen Municipality	王有明 深圳市商务局局长
2	Digital Connectivity 数字联通	MOU on Development of Digital Platform for Cross-Border Trade Financing 搭建跨境贸易融资数字平台合作备忘录	DBS Bank 星展银行 Yang Kee Logistics 永记物流集团有限公司	<ul style="list-style-type: none"> • Mr Shee Tse Koon 许志坤 Group Executive and Singapore Country Head, DBS 星展银行集团执行委员新加坡总监 • Mr Ken Koh 辜翼樑 Group Chief Executive, Yang Kee Logistics 永记物流集团首席执行官 	China Export & Credit Insurance Corporation	王华 中国出口信用保险公司深圳分公司总经理
3	Digital Connectivity 数字联通	MOU Cooperation on Cross-Border Trade Financing for Medical Equipment 医疗设备领域跨境贸易融资合作谅解备忘录	ITS Science & Medical	Mr Dennis Tan 陈国雄 Director, ITS Science & Medical 董事	China Export & Credit Insurance Corporation Mindray Bio-Medical Electronics	<ul style="list-style-type: none"> • China Export & Credit Insurance Corporation 孙俊竹 深圳迈瑞生物医疗电子股份有限公司副总经理

S/N	Focus Area	MOU	MOU Signing Parties			
			Singapore	Signatory	Shenzhen	Signatory
						<ul style="list-style-type: none"> Mindray Bio-Medical Electronics 尹伦涛 深圳迈瑞生物医疗电子股份有限公司集团副总裁
4	Innovation and Entrepreneurship 创新创业	MOU on Establishment of Asian SME Hub 搭建亚洲中小企业中心谅解备忘录	<p>Infocomm Media Development Authority (IMDA) 新加坡资讯通信媒体发展局</p> <p>OneConnect Financial Technology (Singapore) 金融壹帐通</p> <p>Singapore Chinese Chamber of Commerce & Industry 新加坡中华总商会</p>	<ul style="list-style-type: none"> Ms Jane Lim 林慧贞 Assistant Chief Executive, Sectoral Transformation 助理局长, 产业转型事业群 Ms Tan Bin Ru 陈敏如 Chief Executive Officer (Southeast Asia) 金融壹帐通首席执行官 (亚太区) Mr Lu Cheng Yang 吕正扬 Secretary General, SCCCI 新加坡中华总商会秘书长 	Shenzhen SME Municipal Service Bureau for Small and Medium-sized Enterprises	贾长胜 深圳市中小企业服务局局长
5	Innovation and Entrepreneurship 创新创业	MOU on Innovation and Entrepreneurship Cooperation 创新创业合作谅解备忘录	Enterprise Singapore (ESG) 新加坡企业发展局	Mr Jonathan Lim 林心印 Director, Global Innovation Network, ESG 新加坡企业发展局全球创新网络	Shenzhen SME Municipal Service Bureau for Small and Medium-sized Enterprises	贾长胜 深圳市中小企业服务局局长

S/N	Focus Area	MOU	MOU Signing Parties			
			Singapore	Signatory	Shenzhen	Signatory
				署长		
6	Talent Exchange and Development 人才交流与合作	MOU on Cooperation for Talent Exchange and Development 人才交流与合作谅解备忘录	Enterprise Singapore (ESG) 新加坡企业发展局	Ms Tan Kaixin 陈凯欣 Director, Human Capital, ESG 新加坡企业发展局人力资本署长	Shenzhen Municipal Talent Affairs Bureau	张林 深圳市人才工作局局长
7	Innovation and Entrepreneurship 创新创业	MOU on Establishment of an International Commercial Dispute Resolution Model 搭建国际商事争议解决机制谅解备忘录	Singapore International Mediation Centre 新加坡国际调解中心 新调	Mr George Lim 林长仁 Chairman, Singapore International Mediation Centre (SIMC) 新加坡国际调解中心主席	Shenzhen Court of International Arbitration	刘晓春 深圳国际仲裁院院长
8	Digital Connectivity 数字联通	MOU on Cooperation in the Field of Digital Identity 在数字身份领域开展合作谅解备忘录	Smart Nation and Digital Government Office (SNDGO) 智慧国及数码政府署	Mr Tan Chee Hau 陈志豪 Director, Planning and Prioritisation Directorate, SNDGO 智慧国及数码政府署规划司 司长	Government Services Data Bureau	刘佳晨 政务服务数据管理局局长