Seamless Trade Collaboration with TradeXchange®

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Presentation Overview

- Concept of a Trade Single Window
- What is TradeXchange®?
- Introducing Title Registry
- Success Stories
Our local economy is increasingly tied to the global trade and logistics marketplace.

- **Globalisation**
  - Sell into new territories
  - Sourcing from overseas suppliers
- **Regulatory Pressures**
  - Enforcement is on the rise, esp after 9/11
  - Securing global supply chain critical for all businesses
- **Governments Impact IT**
  - Expect businesses to send electronic documents and communication
- **Complexity**
  - A typical cross border shipment involves
    - More than 25 parties involved
    - 35 documents to be generated or transferred
    - Law and trade agreement considerations
• A **facility** that allows parties involved in trade and transport to lodge standardized information and documents with a **single entry point** to fulfill all import, export, and transit-related **regulatory requirements**. If information is electronic, then individual data elements should only be **submitted once**.
The importance of managing trade information flows

- Efficiency -> basic trade facilitation (cutting red tape, faster and efficient movement of trade information and goods)

- Security -> improving information gathering is the key
Key Objective

- To expedite and simplify information flow between government and trade
- To establish the viable, simplified, standardized and integrated environment for cargo clearance
- To reduce time and resources
TradeXchange® - Singapore’s SEW
TradeXchange® as a Single Electronic Window

- World’s first nationwide trade documentation system
- Integrates ALL 35 controlling units’ requirements
- Processes 100% of all trade declarations

Single point of data entry to achieve a number of completed transactions with the Government agencies.

Single platform for seamless connectivity to trading partners.
Singapore's New Integrated IT Platform for Trade

- Neutral IT platform
- Enables information exchange between commercial entities and government
- Main users: trade & logistics community
- Rolled-out in Nov 2007
The TradeXchange® Vision

To Increase SMEs’ Competitiveness & Capabilities

To provide a low-cost Community Platform For Trade and Logistics

Facilitate Logistics Hubbing for MNCs

To promote a vibrant Trade Software Provider industry

Expected Outcomes

Global Integrated Logistics Hub
Spin-off Industries
<table>
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<th>Description</th>
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<td><strong>TradeNet</strong></td>
<td>Trade declaration submissions and permit information</td>
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<td><strong>IMS</strong></td>
<td>Vessel and Flight Schedules and Status</td>
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<td><strong>Overseas Highway Manifest</strong></td>
<td>Advanced Manifest submissions</td>
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<td><strong>Overseas Highway Customs</strong></td>
<td>Electronic data transmission for Customs Clearance</td>
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<td><strong>Shipping Line</strong></td>
<td>Cargo Booking, Draft BL submissions and status enquiry</td>
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<td><strong>RAE</strong></td>
<td>Exchange of Purchase Orders, Packing List, Invoices</td>
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<td><strong>Title Registry</strong></td>
<td>Secured creation and transfer of electronic Title of goods (Bill of Lading)</td>
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Title Registry
Who is it for?

- Companies who export/whose buyers are overseas
- Companies who are trading on Letter of Credit (LC) terms
  (Also applicable for companies on Open Account)

Other beneficiaries:
- **Banks**, specifically exporters who outsource to the banks their documentation processing.
- **Shipping Lines**, who are keen to make available their BL for electronic access and printing.
The existing processing of handling the BL:

- Time consuming to pass the paper BL from party to party
- Incurs courier charges in the collection and dispatching to/from parties down the line
- Cumbersome process of BL amendments

Longer delays in the Order-to-Pay Cycle!
Facilitate trade through the use of electronic records and means for representing the title of goods and its use for negotiation.

Support the secured creation, transfer, print, surrender and access of the title of goods.

Provide a mechanism for end-users and Value-Added Service providers to leverage on their electronic BL to be further employed as electronic title.
Example Scenario using TradeXchange®

Buyer apply for LC to Issuing Bank

Payment arrangement made between Issuing Bank and Buyer

Issuing Bank issues LC to Negotiating Bank

Negotiating Bank presents LC to Shipper/Exporter

Shipping Line generates OBL into TX Title Registry for Shipper/Exporter

Online alert to Shipper/Exporter to inform availability of OBL

Online alert to Bank to inform availability of OBL in Title Registry

Shipper/Exporter access Title Registry and transfer Title to Negotiating Bank

Negotiating Bank checks for LC compliance using OBL in Title Registry

Negotiating Bank access Title Registry and transfer Title to Issuing Bank

Issuing Bank checks for LC compliance using OBL in Title Registry

Issuing Bank transfer Title to Buyer for goods collection

Online alert to Buyer to inform availability of OBL in Title Registry

Buyer access Title Registry and print OBL to collect goods

Negotiating Bank credits payment to Shipper

Issuing Bank credits payment to Negotiating Bank
- Align with existing processes
- Prevent double trading
- Ensure data integrity and non-repudiation
- Ease of integration with any existing systems
- Maintain underlying agreement for the enforceability of electronic information
Supply Chain and Trade Facilitation Case Studies
Case Study

Future send messages in XML via SFTP

Future Electronics

TRADEXCHANGE

Web Portal

Collaboration Hub Application

Customers and Logistics Service Providers

XML/CSV format (future phrase)

Customers

Logistics Service Providers

 Allows Future Electronics’ customers and LSPs to:

- View and print Commercial Invoice, Delivery Order and Packing List from a web portal
- Receive e-documents directly into their own IT systems from TradeXchange®
Beyonics sends out **Purchase Order** in RosettaNet format.

TradeXchange together with our VAS business partner transfers the Purchase Order in pdf format to their suppliers for their easy viewing and response.
Sony Supply Chain submits data for Singapore and Thailand customs declaration electronically.
Conclusion
TradeXchange® will bring about quantum leap in the trade facilitation process in Singapore

- **Improve trade documentation process**
  - Business process re-engineering
  - Simplified permit declaration requirements

- **Lower Business Costs**
  - Single interface to multiple systems
  - Reduce errors from repeated data entry

- **Enhance Economic Competitiveness**
  - Position Singapore as a global trading hub
  - Create new sources of growth through innovative VAS development

**Benefits**

- Single interface for users
- Simplified permit structure with less declaration fields
- Incorporate other “end-to-end” services