

Free Trade Agreement between the European Union and the Republic of Singapore

On 21st November 2019 the Free Trade Agreement between the European Union and the Republic of Singapore (EU-Singapore FTA) entered into force.

The EU-Singapore FTA removes customs duties and non-tariff barriers for trade in goods and services and contains relevant provisions on intellectual property protection, marking and labelling as well as services, e-commerce, market access and public procurement.

- **Elimination of Customs Duties:** approximately 84% of Singapore's exports to the EU will enter duty-free, while customs duties on remaining qualifying exports will be removed over a period of 5 years. Examples of sectors that will benefit from the immediate elimination of customs duties include electronics, pharmaceuticals, petrochemicals and processed agricultural products.

Singapore will remove all remaining tariffs on certain EU products and will commit to keep unchanged the current duty-free access for all other EU products.

- **Customs Cooperation and Trade Facilitation:** the EU and Singapore have agreed to simplify, harmonize, standardize and modernize procedures in order to reduce costs for businesses. This taking into account safety and security of legitimate trade including steps towards the mutual recognition of trade partnership programmes such as the EU Authorised Economic Operators (AEO).
- **Rules of origin:** the EU-Singapore FTA provides for flexible rules of origin that will allow products from the EU and Singapore to qualify for preferential tariff treatment. Rules of origin are product-specific. This means that the criteria by which to determine if a product qualifies for preferential tariff treatment will differ from product to product and a specific analysis has to be carried out.
- **Marking and labelling:** the EU-Singapore FTA contains rules on marking and labelling aimed at reducing the burden and costs for exporters. This in order to overcome matters that can sometimes make difficult for companies to sell their products in different markets.
- **Intellectual property:** the EU-Singapore FTA includes a comprehensive intellectual property rights chapter covering provisions on copyright and related rights, trademarks, geographical indications, designs, plant varieties and enforcement. Intellectual property right-holders will be able to get help from customs authorities to detain counterfeit trademarked or protected goods, pirated copyrighted content and registered designs.
- **Removes technical and non-tariff barriers to trade in goods:** the EU-Singapore FTA addresses regulatory divergences in some key sectors that constitute non-tariff barriers to trade such as electronics, motor vehicles and vehicle parts, pharmaceuticals and medical devices, equipment for renewable energy generation, raw and processed products of animal and plant origin.
- **Services:** the EU-Singapore FTA aims to boost trade in services between Singapore and the EU. It covers a wide range of services and provides additional market access for services providers. However the EU and Singapore retain the right to regulate and introduce new regulations to pursue legitimate policy objectives such as security, public health and safety.

- **E-commerce:** the EU and Singapore have agreed not to impose custom duties on electronic transmissions. However e-commerce should not impair intellectual property rights and the development of e-commerce must be compatible with international standards of data protection.
- **Market access:** the EU and Singapore have agreed to provide preferential market access to each other's companies and to remove and/or reduce certain restrictions such as the number of services suppliers, the number of persons that may be employed and foreign shareholding/equity limits.
- **Government procurement:** the EU and Singapore have gone beyond their commitments related to the Agreement on Government Procurement (WTO GPA) and they agree to (i) extend GPA procurement requirements so that they apply to all public contracts covered under the agreement; (ii) allow each other's firms to bid for public contracts put out to tender by additional central and sub-central procuring entities; and (iii) lower the value threshold of contracts subject to open tendering.

We remain at your disposal for any question or clarification you may have.