

United States – Singapore Joint Statement on Financial Services Data Connectivity

February 5, 2020

U.S. Treasury Under Secretary for International Affairs Brent McIntosh and Monetary Authority of Singapore Deputy Managing Director Jacqueline Loh met in Singapore to discuss the importance of data connectivity in financial services. At the conclusion of their meeting, Under Secretary McIntosh and Deputy Managing Director Loh issued the following joint statement:

Singapore – The United States and Singapore recognize that the ability to aggregate, store, process, and transmit data across borders is critical to financial sector development. The expanding use of data in financial services and the increasing use of technology to supply financial services offer a range of benefits, including greater consumer choice, enhanced risk management capabilities, and increased efficiency. These developments also pose new and complex risks for markets and challenges for policymakers and regulators. The United States and Singapore are committed to working together and with other countries to promote an environment in financial services that fosters the development of the global economy.

Consistent with these shared objectives, the United States and Singapore support allowing financial service suppliers to transfer data across borders and oppose generally applicable data localization requirements as long as financial regulators have access to data needed for regulatory and supervisory purposes. Data localization requirements can increase cybersecurity and other operational risks, hinder risk management and compliance, and inhibit financial regulatory and supervisory access to information. Data mobility in financial services supports economic growth and the development of innovative financial services and benefits risk management and compliance programs, including by making it easier to detect cross-border money laundering and terrorist financing patterns, defend against cyberattacks, and manage and assess risk on a global basis.

Based on this shared understanding, the United States and Singapore intend to seek to promote adoption and implementation of policies and rules in our bilateral and multilateral economic relationships to facilitate the following goals:

- Ensuring that financial service suppliers can transfer data, including personal information, across borders by electronic means if this activity is for the conduct of the business of a financial service supplier.
- Opposing measures that restrict where data can be stored and processed for financial service suppliers as long as financial regulators have full and timely access to data needed to fulfill their regulatory and supervisory mandate.
- Ensuring that financial service suppliers have the opportunity to remediate the lack of access to such data before being required to use or locate computing facilities locally.

The United States and Singapore also intend to share information on developments related to these issues and, as appropriate, encourage third countries to adopt policies consistent with this joint statement.

The United States and Singapore issue this joint statement without prejudice to governments' rights and obligations under the World Trade Organization (WTO), and to the exceptions contained in the WTO General Agreement on Trade in Services (GATS), such as the exceptions relating to protection of personal data privacy and confidentiality of individual records and accounts, and in related texts, such as the Annex on Financial Services and the prudential exception therein. In addition, relevant portions of this joint statement would not apply to the use and location of certain categories of financial service computing facilities. For greater certainty, this joint statement does not create binding obligations under domestic or international law.

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