

Financial Institutions

Singapore and Cambodia to Collaborate on Creation of Financial Transparency Corridor to Support SMEs

On 11 July 2023, the Monetary Authority of Singapore ("**MAS**") and the National Bank of Cambodia announced that they have signed a Memorandum of Understanding to collaborate on a Financial Transparency Corridor ("**FTC**") initiative.

The FTC initiative aims to establish supporting digital infrastructures to facilitate trade and cross-border related financial services between small and medium-sized enterprises ("**SMEs**") in Singapore and Cambodia. Under the FTC, when a Singapore financial institution is assessing financing support for a Singapore SME buyer's cross-border business with a Cambodian SME seller, the Singapore financial institution can utilise the FTC to acquire trusted information from a Cambodian financial institution on the Cambodian SME seller. Likewise, a Cambodian financial institution supporting a Cambodian seller can obtain trusted information on the Singapore buyer through the FTC.

This enhanced trusted information flow will assist SMEs in Singapore and Cambodia to access broader digital trade networks, for instance the Business Sans Border Proxtera global network which is a digital platform that aims to facilitate cross border trade connectivity among emerging market SMEs, thereby providing SMEs with greater trade connectivity within ASEAN and other growth regions.

The supporting digital infrastructures under the FTC aims to:

- (a) support the provision of cross-border financial services to SMEs by establishing a consent-based digital infrastructure that facilitates information exchange between participating financial institutions in Singapore and Cambodia; and
- (b) support financial institutions' loan assessments for trade financing and an SME's compliance with anti-money laundering rules to mitigate risks and potential trade disputes.

SMEs and financial institutions based in Singapore can contact our listed partners and SMEs and financial institutions based in Cambodia can contact [R&T Sok & Heng](#), which is part of the Rajah & Tan Asia network, to discuss this development further.

Click on the following link for more information:

- [MAS Media Release titled "Monetary Authority of Singapore and National Bank of Cambodia set up Financial Transparency Corridor to support SMEs"](#) (available on the MAS website at www.mas.gov.sg)



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