

## THE EUROPEAN FREE TRADE ASSOCIATION - SINGAPORE DIGITAL ECONOMY AGREEMENT ENTERS INTO FORCE FOR SINGAPORE AND NORWAY

1. The European Free Trade Association<sup>1</sup> (EFTA)-Singapore Digital Economy Agreement (ESDEA) enters into force for Singapore and Norway today, following the signing of the Agreement on 25 September 2025 in Switzerland.<sup>2</sup>

2. With its entry into force, the ESDEA deepens Singapore and the EFTA States' connectivity in the digital economy. The Agreement establishes clear and robust rules to facilitate the trusted and seamless flow of data across borders, including in the financial services sector, providing businesses with greater legal certainty and confidence to engage in digital trade. By promoting interoperable digital systems in areas such as paperless trade and e-invoicing, the ESDEA will also make cross-border digital transactions easier and more efficient for business and consumers alike.

3. Minister-in-charge of Trade Relations Grace Fu said, "The swift entry into force of the ESDEA underscores Singapore and the EFTA States' strong commitment to fostering a secure and trusted environment for digital trade. This Agreement will unlock new opportunities for companies on both sides and strengthen Singapore's role as a leading hub for digital innovation and trade. Alongside the UK-Singapore Digital Economy Agreement and the EU-Singapore Digital Trade Agreement, the ESDEA also expands Singapore's network of digital economy agreements with our European partners. Singapore looks forward to the entry into force of the ESDEA for the other EFTA States, as we continue to work together to shape the rules for digital trade globally."

4. Singapore and the EFTA States share strong and longstanding economic relations, underpinned by the EFTA-Singapore Free Trade Agreement (ESFTA) which entered into force in 2003. Bilateral services trade between Singapore and the EFTA States surpassed S\$30 billion in 2023, nearly half of which was estimated to have been digitally delivered. Financial services accounted for approximately 20% of such digitally delivered services. The ratification processes of the other EFTA States, namely Iceland, Liechtenstein, and Switzerland are ongoing. The ESDEA will enter into force for these EFTA States after the completion of their respective ratification processes.

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<sup>1</sup> The EFTA Member States are Iceland, Liechtenstein, Norway, and Switzerland.

<sup>2</sup> The ESDEA was signed by: Singapore's Minister-in-charge of Trade Relations Grace Fu, Swiss Federal Councillor and Head of the Federal Department of Economic Affairs, Education and Research Guy Parmelin, Iceland's Ambassador and Permanent Representative to EFTA, World Trade Organisation (WTO) and other International Organisations in Geneva Einar Gunnarsson, Liechtenstein's Ambassador and Permanent Representative to the United Nations (UN), WTO, EFTA and other International Organisations in Geneva Frank Büchel, and Norwegian Ambassador to Switzerland Kjersti Rødsmoen.

**Annex A: Factsheet on the ESDEA**  
**Annex B: Infographic on the ESDEA**  
**Annex C: Quote from Singapore Business Federation**

**MINISTRY OF TRADE AND INDUSTRY**  
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## Annex A

### **Factsheet on the ESDEA**

The European Free Trade Association (EFTA)-Singapore DEA (ESDEA) is a legally binding agreement that will enhance the robust economic partnership between the EFTA States and Singapore by strengthening our digital and economic connectivity. The ESDEA will form an integral part of the EFTA-Singapore Free Trade Agreement (ESFTA) which entered into force in 2003. By providing a clear framework on the rules and standards for digital trade and cross-border data flows, the ESDEA will enable seamless and efficient cross-border digital transactions and establish a trusted environment for digital trade between both sides. This will give greater clarity and legal certainty for business and consumers alike, and unlock new opportunities in the digital economy for our companies and people.

### **Key features of the ESDEA**

#### **Enabling open and secure data flows**

##### **Cross-border Data Flows**

- Data flows serve as the foundation for electronic commerce and other digitally enabled activities. Singapore and EFTA commit that they will not adopt a specified set of measures that prohibit or restrict the cross-border transfer of data, including requirements to store data in specified locations. Businesses, including financial institutions, will thus be able to choose where their data is stored, removing unnecessary barriers to digital trade.

##### **Personal Data Protection**

- To promote consumer trust in the digital economy, Singapore and EFTA will maintain a legal framework to protect the personal data of individuals, taking into account internationally established principles and guidelines. Both sides will also publish information on personal data protection rights accorded to individuals, including how individuals can seek remediation and how businesses can comply with legal requirements.

##### **Open Government Data**

- Public access and use of government data can encourage economic and social development, competitiveness, productivity, and innovation. Singapore and EFTA will endeavour to cooperate on best practices to enhance access to such

data, with a view to support business and research opportunities for small and medium-sized enterprises (SMEs).

## **Advancing end-to-end digital trade**

### Electronic payments (E-payments)

- To support the development of efficient and secure cross-border e-payments, Singapore and EFTA will encourage the adoption of internationally accepted standards, promote interoperability between e-payment systems, as well as facilitate innovation and competition in the e-payment ecosystem.

### Electronic invoicing (E-invoicing)

- Both sides recognise the role of e-invoicing in enhancing the cost-effectiveness, efficiency, accuracy, and reliability of digital trade. Singapore and EFTA will ensure that the implementation of measures on e-invoicing facilitates interoperability between both sides' e-invoicing systems to support cross-border transactions.

### Paperless Trading

- To advance digitalisation and reduce the cost of business transactions, Singapore and EFTA will accept electronic versions of trade administration documents required for the import, export, or transit of goods, and make all trade administration documents available in electronic form.

### Customs Duties

- To encourage and support cross-border digital transactions, Singapore and EFTA will not impose customs duties on electronic transmissions.

## **Fostering trust and security in the digital environment**

### Source Code and Cryptography Protection

- To foster greater trust and innovation amongst businesses operating in their markets, Singapore and EFTA will not require the transfer of or access to source code or crypto keys as a condition of market access. This gives software developers certainty that source code and crypto keys developed and used by companies will be protected.

### Artificial Intelligence (AI)

- To harness the benefits of AI technologies in a responsible manner, Singapore and EFTA will promote the ethical, trusted and safe use and adoption of AI, guided by interoperable and internationally aligned governance frameworks.

### Cybersecurity

- Both sides recognise the evolving nature of cybersecurity threats that could undermine confidence in digital trade. To mitigate these threats, Singapore and EFTA will collaborate to strengthen cybersecurity response mechanisms, and build the capabilities of our workforce in addressing cybersecurity risks.

### Online Consumer Protection

- To safeguard consumer welfare, Singapore and EFTA will adopt or maintain measures which prohibit fraudulent, misleading, or deceptive commercial conduct harmful to consumers involved in electronic commerce.

## **Enhancing participation and access to opportunities in the Digital Economy**

### Digital participation of Small and Medium Sized Enterprises (SMEs)

- To enhance SMEs' access to trade and investment opportunities in the digital economy, Singapore and EFTA will cooperate to exchange information and best practices in leveraging digital tools and technology to encourage SME growth.

### Digital Inclusion

- It is important that all people and businesses can participate in, contribute to, and benefit from the digital economy. To support digital inclusion, Singapore and EFTA will cooperate to reduce barriers to accessing digital trade opportunities, including by sharing best practices that promote inclusive participation in the digital economy.

**Infographic on the ESDEA**

### European Free Trade Association–Singapore Digital Economy Agreement (ESDEA)

<b>2023</b> 16 FEB	<b>2025</b> 10 JUL	<b>2025</b> 25 SEP	<b>2026</b> 1 MAR
Negotiations launched	Negotiations concluded	ESDEA was signed	ESDEA enters into force for Singapore and Norway

### EFTA-Singapore Economic Relations

The European Free Trade Association (EFTA) is a regional free trade area comprising:

Switzerland Liechtenstein Norway Iceland

EFTA and Singapore enjoy strong and growing economic relations, underpinned by the **EFTA-Singapore Free Trade Agreement (ESFTA)** which entered into force in 2003.

Bilateral services trade between Singapore and the EFTA states exceeded **S\$30 billion** in 2023.

Nearly half of this trade was estimated to have been digitally delivered. Financial services accounted for approximately 20% of such digitally delivered services.

### The ESDEA

The **EFTA-Singapore Digital Economy Agreement (ESDEA)** augments the ESFTA by introducing binding commitments that allow our people and businesses to seize opportunities in the digital economy with certainty and confidence.

The ESDEA also completes Singapore's network of digital agreements with our major European partners, alongside earlier agreements with the EU and UK.

### Key Benefits of the ESDEA

- Enables Open and Secure Data Flows**
- Advances End-to-End Digital Trade**
- Fosters Trust and Security in the Digital Environment**
- Enhances Participation in the Digital Economy**

### Enabling Open and Secure Data Flows

- Cross-Border Data Flows**  
Providing businesses with flexibility in data storage locations and enabling seamless data transfer across each other's territories with adequate safeguards.
- Personal Data Protection**  
Establishing robust legal frameworks that protect the personal data of individuals.
- Open Government Data**  
Enhancing access to government data to support business and research opportunities.

### Advancing End-to-End Digital Trade

- Electronic Payments**  
Adopting international standards to promote interoperable and innovative ecosystems for cross-border e-payments.
- Electronic Invoicing**  
Facilitating interoperability of e-invoicing systems for cost-effective and reliable digital trade.
- Paperless Trading**  
Increasing acceptance of electronic trade documents to reduce costs and simplify trade administration for businesses.
- Customs Duties**  
Eliminating imposition of customs duties on electronic transmissions.

### Fostering Trust and Security in the Digital Environment

- Source Code & Cryptography Protection**  
Protecting businesses from unjustified requirements to disclose source code as a condition of market access.
- Artificial Intelligence (AI)**  
Encouraging responsible use of AI through interoperable and international frameworks.
- Cybersecurity**  
Strengthening cooperation on cybersecurity response mechanisms and building workforce capabilities to address evolving threats.
- Online Consumer Protection**  
Safeguarding consumer welfare against harmful conduct in e-commerce.

### Enhancing Participation in the Digital Economy

- Small & Medium Enterprises (SMEs)**  
Leveraging digital tools to enhance SMEs' access to digital trade opportunities.
- Digital Inclusion**  
Sharing best practices that reduce barriers and promote inclusive participation in the digital economy.

Information accurate as of February 2026

**Quote from Singapore Business Federation**

Organisation	Quote and Spokesperson
Singapore Business Federation (SBF)	<p>“ESDEA’s entry into force is strategically important for Singapore businesses amid heightened geopolitical uncertainty. By deepening digital economic ties with Europe, the Agreement provides companies with a trusted counterbalance to diversify markets, digital operations and regulatory exposure. Clearer rules for moving data, delivering digital services and conducting paperless trade means that companies can now seamlessly invest, scale and manage regional digital operations in Europe-linked markets and participate in cross-border value chains. SBF will work closely with our businesses to help them leverage this partnership with Europe and translate the Agreement into sustained competitiveness and long-term growth.”</p> <p><i>Mr Kok Ping Soon, CEO of Singapore Business Federation</i></p>