

Singapore and UK forge closer ties

A suite of historic agreements between Singapore and the UK marks the start of closer collaboration between the two partners.

Since it was founded in 1819 as a free port, “open to ships and vessels of every nation,” by British East Indian administrator Sir Stamford Raffles, Singapore has established itself as an important international financial centre.

The city-state at the heart of Southeast Asia is a significant hub for 24-hour trading in foreign exchange and securities with Asia-Pacific, European and American centres, and is home to almost 130 banks – four local and 123 foreign.

“Singapore is a flourishing international financial centre, with its financial services industry enjoying stable growth due to the country’s pro-business environment and political stability,” says Andrew Gilder, Asia-Pacific Banking and Capital Sector Leader at EY. “It is increasingly becoming an Asia-Pacific regional hub of choice for global financial institutions.”

“Singapore and Britain have a special and long-standing relationship.”

**Tharman
Shanmugaratnam,
Singapore Government**

Total UK-Singapore trade stood at more than £9.5bn in 2017, up nearly £2bn on 2016, according to the City of London Corporation, the governing body of the City’s Square Mile.

Nearly £1bn of this trade is in financial services. There are 55 Singapore financial firms in the City of London employing nearly 1,000 people, according to the Corporation, and five Singaporean multinational companies list on the London Stock Exchange to raise capital. London also acts as a key offshore hub for currency trading in Singapore dollars.

Mutual benefits

As part of Singapore’s official Bicentennial celebrations – 200 years since Sir Stamford Raffles arrived and established the port by treaty – Singapore and the UK further strengthened their collaboration in financial services this year by forging a series of mutual agreements on skills and standards.

In June, industry association the Institute of Banking and Finance Singapore (IBF), which represents 200 member firms including banks, insurers and asset managers, signed a Declaration of Intent with the Chartered Body Alliance, which represents the UK’s three leading UK-based Chartered Professional Bodies: the Chartered Banker Institute, Chartered Institute for Securities & Investment and the Chartered Insurance Institute.

“This mutual agreement will deepen our collaboration in financial services, offering synergies and benefits to the banking, finance and insurance professions, customers and communities in the UK and Singapore,” says Simon Thompson, Chief Executive, the Chartered Banker Institute.

The Declaration affirms the partners’ intent to enhance co-operation in three key areas:

1. Raising the skills and competencies of banking and finance professionals in areas including ethics and integrity, professional conduct and behaviour, cybersecurity, digital skills, green and sustainable finance, risk management (in particular, operational, technology and conduct risks), and specialised insurance

2. Facilitating the sharing of innovative and best practice in the development and delivery of education and training programmes for banking, finance and insurance professionals
3. Enhancing the mutual recognition of professional standards, qualifications, training and certification for banking, finance and insurance professionals.

Skills and synergies

The Chartered Body Alliance, which has a combined global membership of 200,000 individuals, and the IBF agree that deepening co-operation in these areas will help enhance and sustain the professional skills and competencies of banking, finance and insurance professionals in both jurisdictions, and globally.

The Chartered Institute for Securities & Investment is the largest professional body for securities, investment, wealth and financial planning professionals and has more than 45,000 members in more than 100 countries.

Simon Culhane, Chief Executive, Chartered Institute for Securities & Investment, says: “This declaration

builds on the important synergies which already exist between our stakeholders in the areas of ethics and professionalism, raising awareness of the Chartered brand as the ultimate mark of trust for the consumer.”

The Chartered Insurance Institute is dedicated to building public trust in the insurance and financial planning profession and has 125,000 members.

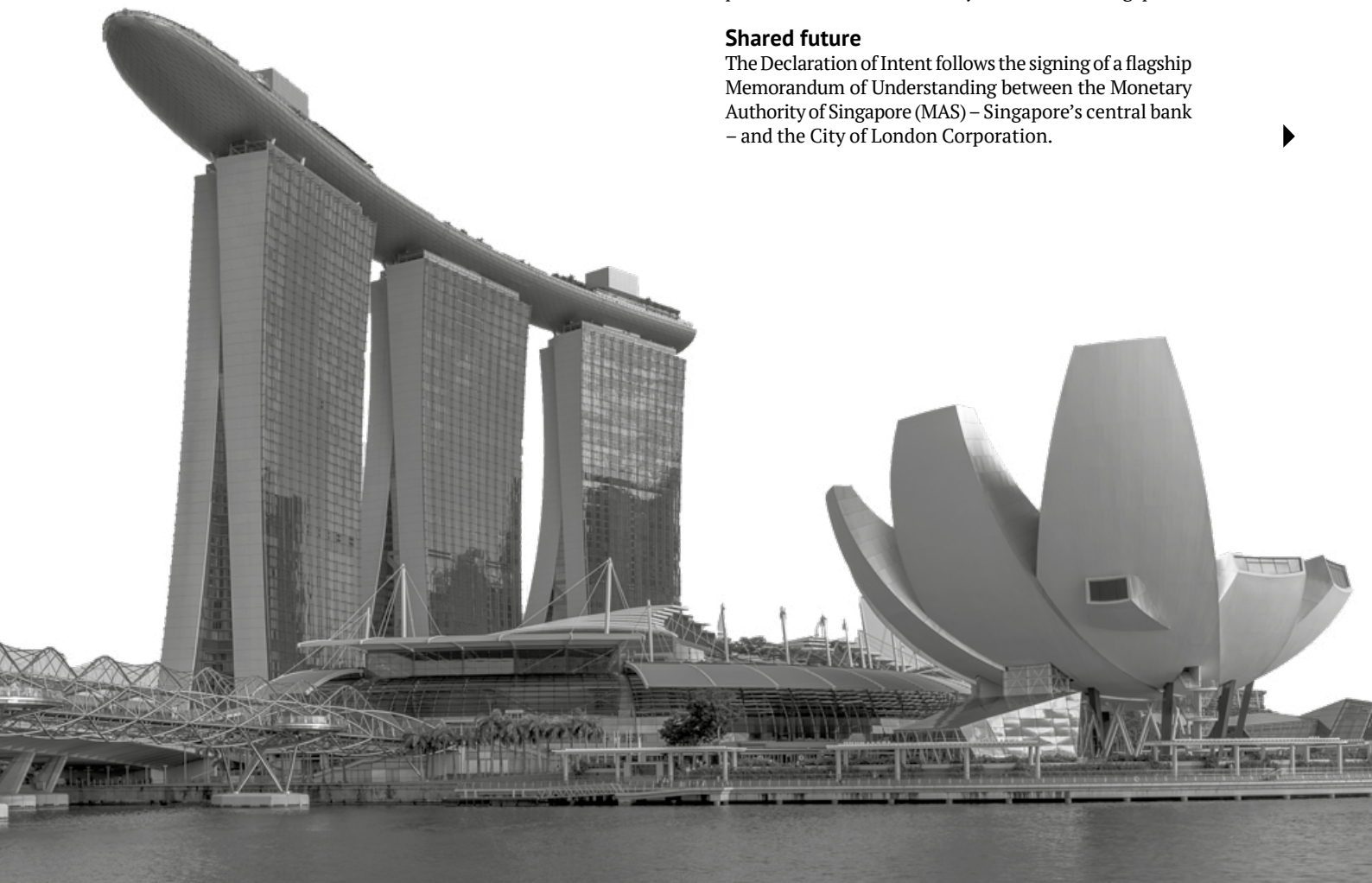
“It is increasingly becoming an Asia-Pacific regional hub of choice.”

Andrew Gilder, EY

Sian Fisher, Chief Executive, Chartered Insurance Institute, says: “The Chartered Body Alliance is committed to standards and trust across the whole of financial services, and the signing of this agreement is a good step to promoting this initiative, and building on the professionalism that is already a firm focus in Singapore.”

Shared future

The Declaration of Intent follows the signing of a flagship Memorandum of Understanding between the Monetary Authority of Singapore (MAS) – Singapore’s central bank – and the City of London Corporation.



COUNTRY SPOTLIGHT

▶ Signing the agreement at the UK-Singapore Business Summit in London's Guildhall, Singaporean Senior Minister and Coordinating Minister for Social Policies and chairman of MAS, Tharman Shanmugaratnam, said: "Singapore and Britain have a special and long-standing relationship based on our intertwined histories and a shared future.

"We have drawn many lessons from London in developing Singapore – especially the City's rise to become the pre-eminent global centre that it is – and today, we deepen our collaborations in a number of key areas."

A MAS spokesperson adds: "The UK-Singapore Business Summit, which commemorates Singapore's Bicentennial, was an excellent demonstration of our longstanding relationship, strong collaboration and keen mutual interest to deepen connectivity between our financial centres.

"The Memorandum of Understanding covers a range of areas where both parties agree to collaborate on including facilitating data flows, enhancing cross-border 'know-your-customer' processes, developing skills and competencies in the financial sector, and promoting green finance."

A separate Partnership Agreement was also signed between the MAS and the City of London's UK Green Finance Initiative, which was launched in 2016 to promote London and the UK as a global centre of green finance and to drive regulatory and policy enhancements.

"This Partnership Agreement aims specifically to promote and apply principles of green and sustainable finance within the financial systems of Singapore and the UK," explains the MAS spokesperson. "It aims to harmonise standards, enhance environmental and climate risk disclosures, and strengthen green finance collaboration in the international environment."

Peter Estlin, Lord Mayor of the City of London, said the agreements were "a shining example" of how two leading international financial centres can work together.

Deepening collaboration

Andrew Gilder at EY believes the agreements will deepen collaboration between the two markets across multiple areas, including financial co-operation, innovation, data and people-to-people exchanges.

"Sharing best practice in the development and delivery of education and training programmes could also help to enhance and sustain the professional skills and competencies of banking, finance and insurance professionals in both jurisdictions," he adds.

"In the past, many people held the view that Asia could learn from the mature markets of the UK and the US. However, with the current level of innovation taking place across financial markets in both Asia-Pacific more broadly and Singapore specifically, there is much to be learned by observing the dynamics in these markets too."

Singapore's credentials include being the most digitally competitive nation in Asia-Pacific and second globally behind the US, according to the IMD World Digital Competitiveness Ranking 2018, from Switzerland's influential International Institute for Management Development. This is ranked on factors such as knowledge and technology, talent, training and education, capital investments and future readiness.

Promoting innovation

Gilder explains: "From a regulatory perspective, the Monetary Authority of Singapore has been extremely proactive in encouraging technology adoption and facilitating innovation across the financial sector. The regulator views a vibrant FinTech ecosystem as being key to Singapore's vision of becoming a 'Smart Financial Centre', and committed SGD\$225m to the Financial Sector Technology and Innovation scheme to promote innovation back in 2015. It also established the FinTech Office to enable a whole-of-government approach to developing the FinTech ecosystem and became one of the first countries to launch a regulatory sandbox in 2016.

"More broadly, banks in Singapore face the same regulatory challenges as their global peers. Issues such as financial crime, conduct and culture, regulatory reporting and capital and liquidity remain on the regulatory agenda and, therefore, on the agenda of the bank boards and their management teams."

Recent developments include news that the MAS is issuing up to five new digital bank licences, paving the way for non-banks to enter the local financial services scene and offer online and mobile applications, without the need for physical branches.

"This mutual agreement will deepen our collaboration in financial services."

Simon Thompson,
the Chartered Banker
Institute

While data analytics and automation are transforming roles across financial services, a 2019 EY Singapore report commissioned by the IBF and the MAS found that few roles, if any, would be entirely displaced, with human expertise remaining critical.

The ability to deliver creative and innovative solutions, for example, is beyond the reach of machines, suggests the report, *The Impact of Wider Integration of Data Analytics and Automation on Manpower in the Singapore Financial Services Sector*.

Gilder at EY adds: “Availability of talent is an extremely crucial factor, and the supply of digital talent in Singapore – particularly for niche roles such as data scientists and social marketers – needs to be ramped up.”

Digital transformation

A study this year commissioned by the IBF and the MAS set out how data analytics and automation are likely to augment or transform job roles in Singapore’s financial sector over the next three to five years.

The study, conducted by EY over nine months and released by Singapore’s Minister for Manpower, Mrs Josephine Teo, also identified the skills necessary to perform the new tasks enabled by data analytics and automation.

A total of 121 job roles across the banking, capital markets, asset management and insurance sectors were mapped out, representing most jobs in the financial services industry.

The IBF-MAS study found that about half of the roles analysed would be augmented as individuals leverage these technologies to amplify their performance. Another third of roles would be transformed, as technology substitutes a significant proportion of tasks, and remaining tasks across synergistic roles converge into new ones.

Across all roles, individuals would be required to take on new or expanded tasks that have a higher element of judgement and creativity, while tasks of a more repetitive and rules-based nature were automated. The study also identified emerging roles that would grow in demand with the adoption of data analytics and automation in the sector.

Mr Ng Nam Sin, Chief Executive Officer, IBF, said: “Business transformation alone is not enough. We also need workforce transformation. This study will help us uplift our workforce, harness the power of data analytics and automation, and make Singapore’s financial centre more competitive.”


Essential skill sets

IBF and Workforce Singapore (WSG), which promotes the development, competitiveness, inclusiveness, and employability of all levels of the workforce, also launched the Technology in Finance Immersion Programme (TFIP) to help professionals start a career in technology through structured training and attachment in leading financial institutions.

TFIP will offer training and attachment opportunities in cloud computing, cybersecurity, data analytics and full stack development. It has been developed by IBF and WSG and in partnership with Infocomm Media Development Authority (IMDA), which promotes Singapore’s digital, media and telecoms industries, MAS and industry stakeholders.

Mr Tan Choon Shian, Chief Executive, WSG, said: “The TFIP opens up new avenues for mid-career Singaporeans keen to pick up new skills and convert to new careers in tech job roles in the financial services sector. By providing meaningful on-the-job training with leading banks in Singapore, this will help mid-career individuals build up their essential skill sets in the respective technology areas.”

The release of the study and the launch of TFIP are intended to bolster the financial sector’s ongoing workforce transformation efforts. As at the end of 2018, financial institutions had identified and committed to reskill and redeploy close to 4,000 of their employees.

Mr Howie Lau, Chief Industry Development Officer, Industry Development Group, IMDA, said: “Tech skills is a hot currency in today’s digital economy, with the demand for infocomm professionals in Singapore expected to grow across all sectors over the next few years. We are committed to support our local workers in tech skills training so they can continue to seize new and better opportunities that arise from technological shifts in the financial sector.” 

“Business transformation alone is not enough. We also need workforce transformation.”

**Mr Ng Nam Sin,
Institute of Banking and
Finance Singapore**