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Monetary Authority of Singapore and Bank of Ghana to foster closer relationships between SMEs and financial institutions of Singapore and Ghana via Business sans Borders and Financial Trust Corridor



Singapore, 8 December 2020... The Monetary Authority of Singapore (MAS) and the Bank of Ghana (BOG) have commenced discussions to adopt the Business sans Borders (BSB) open hub of platforms between Singapore and Ghana. These discussions on close cooperation will benefit the small and medium-sized enterprises (SMEs) and micro-SMEs (MSMEs) ^[1] in both countries by expanding their connectivity with their counterpart economy, while introducing innovative FinTech and digital tools to help each SME seamlessly complete its regular business needs. MAS and BOG will also work on a complementary Financial Trust Corridor (FTC) initiative to engender greater trust, trade and recognition between both countries' businesses and financial institutions. Both these initiatives, are targeted to help the SMEs and MSMEs of Singapore and Ghana achieve sustainable growth for the post-COVID 19 pandemic recovery.

2 BSB is a joint initiative started by MAS and Infocomm Media Development Authority on a global digital infrastructure for seamless trade and digital business services connectivity. MAS and BOG will be closely involved with each country's trade bodies, platforms, SME associations and financial sector in the adoption of the BSB meta-hub connectivity, which will simplify how SMEs and ecosystems from Singapore and Ghana can discover new buyers, suppliers and key financial and business services.

3 BSB will leverage on Artificial Intelligence to seamlessly integrate trade and business services discovery and flows, thereby facilitating commerce and exchange of best-in-class technologies and services. For example, a Ghana SME selling artisanal products or fruits from his Ghana marketplace will be able to digitally find a buyer in Singapore through BSB. Conversely a Singapore SME looking to source for cocoa or sell its local products will be able to reach out to new markets in Ghana. The Ghana and Singapore SMEs will also be recommended essential business services, such as financing and logistics support, to complete the trade through BSB.

4 The SME FTC, to be led by MAS and BOG, comprises a governance framework and a digital infrastructure which banks and FinTech companies in both countries could refer to and utilise when sharing key information relevant for credit assessment, whilst abiding by domestic and international regulations, such as data protection and anti-money laundering requirements. The FTC will provide strong trust for SMEs by financial institutions, leading to a growth in the breadth and depth of financial sector support for SMEs and businesses, making it easier for SMEs involved in cross-border trade to obtain faster and more working capital offerings and invoice financing. This would ultimately lead to greater international trust in each country's SMEs. Through its overseas centre in Accra, Enterprise Singapore will also work with relevant parties to ensure Singapore and Ghanaian companies benefit from the BSB and FTC.

5 Sopnendu Mohanty, Chief FinTech Officer, MAS said, "We are excited to partner BOG to create the world's first SME financial trust corridor as well as welcome Ghana into Business sans Borders, an innovative global infrastructure initiative. Together we can start to build increased trade flows and enhance financial trust and services support between our economies through both the FTC and BSB initiatives. Proxtera, a new private entity supported by MAS and IMDA, will help to operationalise BSB and the FTC. With time, these efforts will scale towards a new global paradigm where our SMEs and financial institutions are trusted internationally and have seamless access to wider financing, new trade opportunities and intuitive digital tools."

6 First Deputy Governor Dr Maxwell Opoku-Afari, Bank of Ghana, said, "Indeed, we are glad to be a part of this partnership with MAS. The choice of Ghana is an absolute endorsement of how our technological capabilities are growing and will impact strongly on SMEs, in addition to building a robust, resilient and well-connected FinTech Hub."

[1] SMEs and micro-SMEs (MSMEs) play a critical role in the economies of Singapore and Ghana, composing over 90% of all businesses and driving substantial employment and GDP contribution. Yet SMEs face the challenges of accessing key financial services, building trust and digitalisation, which affects their survival and growth. This issue is more pronounced during the current global crisis where supply chains are broken and travel is curtailed.

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