Cross-Border Listings Guide - Singapore Stock Exchange

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# Quick Summary

## Initial financial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

The Singapore Exchange Securities Trading Limited (SGX-ST) is a listing platform for both Singapore and foreign issuers in all range of sizes representing a full spectrum of industries. Listing applicants may choose the Mainboard as a primary or secondary listing venue (as the case may be). Effective from 3 September 2021, SGX-ST has also permitted the listing of SPACs on SGX-ST. Apart from the Mainboard, potential listing applicants may also look towards a primary listing on the Catalist on SGX-ST (for which the quantitative criteria set out below do not apply). Below is a short summary of the legal and regulatory requirements of the listing process in Singapore, with a particular focus on listings on the Mainboard.

***Quantitative Criteria***. An issuer seeking to list its securities on the Mainboard must meet at least one of the following quantitative criteria:

Minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S$30 million (approximately US$22.74 million) for the latest financial year and has an operating track record of at least three years.

Profitable in the latest financial year (pre-tax profit based on the latest full year consolidated audited accounts), an operating track record of at least three years and has a market capitalization of not less than S$150 million (approximately US$113.69 million) based on the issue price and post-invitation issued share capital.

Operating revenue (actual or pro forma) in the latest completed financial year and a market capitalization of not less than S$300 million (approximately US$227.37 million) based on the issue price and post-invitation issued share capital. REITs and business trusts which have met the S$300 million (approximately US$227.37 million) market capitalization test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.

*Management and business continuity*. In respect of the profit tests in the first two bullets above, the issuer must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the three years' operating track record applies.

## Other initial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

The issuer must be in a healthy financial position, and SGX-ST will consider whether the issuer and its subsidiaries have a positive cash flow from operating activities. The issuer must also disclose in its prospectus whether, in the reasonable opinion of its directors, the working capital available to the group is sufficient for at least the next 12 months.

*Experienced Management*. The directors and executive officers of the issuer should have appropriate experience and expertise to manage the group's business. The character and integrity of the directors, management and controlling shareholders of the issuer will be a relevant factor for consideration. The Board must also appoint at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. Independent directors must comprise at least one-third of the issuer's board.

*Additional Requirements for issuers incorporated outside of Singapore (Foreign Issuers)*. Foreign issuers are not typically subject to more onerous listing requirements compared to Singapore-incorporated issuers. A foreign issuer which has a primary listing on the SGX-ST must comply with the SGX-ST's listing rules in full. In addition, (i) a foreign issuer must have at least two independent directors, resident in Singapore and (ii) an announcement must be made on SGXNET as soon as there is any change in the law of its place of incorporation which may affect or change shareholders' rights or obligations over its securities.  Any specific legal issues concerning foreign issuers e.g. use of legal representatives, or issues as to title over properties should be pre-cleared with SGX-ST in connection with the listing process.

*Accounting standards*. For primary listings, the audited financial statements submitted with the listing application (as well as future periodic financial reports) must be prepared in accordance with SFRS(I), IFRS or US GAAP. Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I).

*Financial statements.* The prospectus should also include audited historical financial statements (profit and loss, balance sheet and cash flow statement) for the most recent three financial years, together with the audit report for each year. Interim financial statements must be provided if the date of lodgement of the preliminary prospectus is more than six months after the end of the most recently completed financial year for which audited financial statements are provided.

## Listing process

[Last updated: 1 January 2024, unless otherwise noted]

Listing on the Mainboard of SGX-ST involves three main stages:

The submission of the Listing Admissions Pack to SGX-ST.

Lodgment of the preliminary prospectus with the MAS.

Registration of the final prospectus and launch of the offer.

Pursuant to a concurrent review process, an issuer may choose to submit its draft prospectus to MAS for pre-lodgement review at the same time as the submission of its listing application to SGX-ST.

The table below sets out the typical process and timetable for listing a company on the Mainboard.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/sglisting-process-gantt-chart.pdf)

## Corporate governance and reporting

[Last updated: 1 January 2024, unless otherwise noted]

Each listed company must establish three sub-committees at the time of listing:

The *audit committee* meets with external auditors and internal auditors at least annually and reviews the adequacy and effectiveness of internal controls, as well as the cost effectiveness, objectivity and independence of external auditors.

The *nominating committee* makes recommendations to the Board on all director appointments and re-nominations, determines (on an annual basis) which directors are independent, decides if a director has been adequately carrying out his/her duties, and adopts internal guidelines to address the competing time commitments that directors who serve on multiple boards face.

The *remuneration committee* recommends a framework of remuneration for the Board and key executives and determines specific remuneration packages for each director and the CEO (if not a director). Each listed issuer should disclose its remuneration policy in its annual report.

After its initial listing, the listed company must comply with the continuing listing requirements of SGX-ST.

The Code of Corporate Governance applies to listed issuers, on a comply-or-explain basis. The Code aims to promote high levels of corporate governance by putting forth principles and practices of good corporate governance. For example, it requires that non-executive directors comprise the majority of the Board; where the chairman is not independent, the independent directors are to make up the majority of the Board. The Board should also have a lead independent director who should be available to shareholders where they have concerns and for which contact through the normal channels of communication with the chairman or management are inappropriate or inadequate.

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

The initial listing fee is based on market capitalization, and ranges from S$100,000 to S$200,000 (approximately US$75,790 to US$151,580). In addition, there is a non-refundable processing fee of S$20,000 (approximately US$15,158) for an application for admission to the Mainboard. Where an issuer lists additional securities, it must pay SGX-ST an additional listing fee based on market capitalization, ranging from S$30,000 to S$200,000 (approximately US$22,737 to US$151,580). The annual listing fee similarly varies based on market capitalization, and ranges from S$35,000 to S$150,000 (approximately US$26,527 to US$113,685).

# Overview of exchange

## Overview of exchange

[Last updated: 1 January 2024, unless otherwise noted]

The Singapore Exchange Securities Trading Limited (commonly referred to as SGX-ST) is a listing platform for both Singapore and foreign issuers in all range of sizes representing a full spectrum of industries. Listing applicants to SGX-ST are generally involved in the following sectors, namely, Real Estate (the REIT and Property Trust sectors are second largest in Asia), Consumers, Healthcare, Maritime & Offshore Services, Mineral, Oil & Gas, and Technology.

Listing applicants (which are unlisted) may choose the Mainboard as a primary listing venue. Alternatively, a listing applicant (which may already be listed on a foreign home exchange) may choose the Mainboard as a secondary listing venue. Apart from the Mainboard, potential listing applicants may also look towards a primary listing on the Catalist which is intended to attract growth companies to list on SGX-ST. Listing applicants do not need to comply with any quantitative criteria (as described below) to list on Catalist.

Listing applicants must appoint an issue manager who will act as sponsor for and manage the listing on SGX-ST. This issue manager should be independent of the listing applicant. SGX-ST retains the discretion to deem an issue manager independent or otherwise.

Below is an overview of the legal and regulatory requirements of the listing process in Singapore, with a particular focus on listings on the Mainboard.

# Principal listing and maintenance requirements and procedures

## Principal listing and maintenance requirements and procedures

[Last updated: 1 January 2024, unless otherwise noted]

*Quantitative Criteria*

An issuer seeking a listing of its securities on the Mainboard must meet at least one of the following financial requirements:

Minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S$30 million (approximately US$22.74 million) for the latest financial year and an operating track record of at least three years.

Profitable in the latest financial year (pre-tax profit based on the latest full year consolidated audited accounts), an operating track record of at least three years and a market capitalization of not less than S$150 million (approximately US$113.69 million) based on the issue price and post-invitation issued share capital.

Operating revenue (actual or pro forma) in the latest completed financial year and a market capitalization of not less than S$300 million (approximately US$227.37 million) based on the issue price and post-invitation issued share capital. REITs and business trusts which have met the S$300 million (approximately US$227.37 million) market capitalization test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.

In respect of the profit tests in the first two bullets above, the following requirements shall also apply:

An issuer must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the three years operating track record applies.

If the group made low profits or losses in the two years before the application due to specific factors which were of a temporary nature and such adverse factors have either ceased or are expected to be rectified upon the issuer's listing, the application may still be considered.

In determining the profits, non-recurrent income and items generated by activities outside the ordinary course of business must be excluded.

SGX-ST will normally not consider an application for listing from an issuer which has changed or proposes to change its financial year end if SGX-ST is of the opinion that the purpose of the change is to take advantage of exceptional or seasonal profits to show a better profit record.

*Other Requirements*

The issuer must be in a healthy financial position, and SGX-ST will consider whether the issuer and its subsidiaries have a positive cash flow from operating activities. The issuer must also disclose in its prospectus whether, in the reasonable opinion of its directors, the working capital available to the group is sufficient for at least the next 12 months.

The directors and executive officers of the issuer should have appropriate experience and expertise to manage the group's business. The character and integrity of the directors, management and controlling shareholders of the issuer will be a relevant factor for consideration. The issuer's board must also have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. Independent directors must comprise at least one-third of the issuer's board. A director will not be independent under any of the following circumstances: (a) if he is or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; (b) if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or (c) if he has been a director for an aggregate period of more than nine years (whether before or after listing), save that such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Further requirements as to the independence of directors are set out in the Code of Corporate Governance (as defined below).

*Additional Requirements in relation to issuers incorporated outside of Singapore (Foreign Issuers)*

Generally, foreign issuers do not have to comply with more onerous listing requirements compared with issuers incorporated in Singapore. A foreign issuer which has a primary listing on the SGX-ST must comply with the SGX-ST's listing rules in full. In addition, (i) a foreign issuer must have at least two independent directors, resident in Singapore and (ii) an announcement must be made on SGXNET as soon as there is any change in the law of its place of incorporation which may affect or change shareholders' rights or obligations over its securities. For completeness, any specific legal issues concerning foreign issuers, e.g. use of legal representatives, or issues as to title over properties should be pre-cleared with SGX-ST in connection with the listing process.

*Moratorium*

An issuer's controlling shareholders (shareholders holding 15% or more of the total voting rights in the issuer) and their associates, and executive directors with an interest in 5% or more of the issued share capital of the issuer, excluding subsidiary holdings, at the time of the listing (collectively referred to as the Promoters) must give contractual undertakings to the issue manager to observe a moratorium on the transfer or disposal of all their interests in the issuer's securities.

A pre-IPO investor who acquired and paid for his or her securities less than 12 months before the date of the listing application will also be subject to a lock-up on a portion of its shareholdings.

The lock-up periods must not be shorter than the following:

For issuers who satisfy either of the first or second initial listing criteria discussed above, in respect of the Promoters' entire shareholding at the time of listing, for at least six months after listing.

For issuers who satisfy the third initial listing criteria discussed above, in respect of the Promoters' entire shareholding at the time of listing, for at least six months after listing and in respect of at least 50% of their original aggregate shareholding (adjusted for any bonus issue, sub-division or consolidation), for the next six months.

For any pre-IPO investor as described above, the profit proportion of that investor's shareholdings, computed based on a prescribed formula, will be subject to a lock-up for six months after listing.

*Other related requirements*

All securities listed on SGX-ST will be quoted in Singapore dollars, unless SGX-ST agrees to a quotation in a foreign currency. Applicant companies are encouraged to consult SGX-ST if they prefer a quotation in a foreign currency.

The shares of the listed issuer must be traded under the book-entry securities settlement system of The Central Depository (Pte) Limited. The shares should be registered with a share transfer agent, although there is no requirement for these securities to be registered with any particular share transfer agent.

A listed issuer is not required to appoint a compliance adviser that is established with SGX-ST to maintain its listing. The requirement to have an issue manager for the purpose of the listing also ends once the issuer is admitted to listing. However, SGX-ST requires the issuer to name the issue manager in all its published announcements for two years from the date of its listing. SGX-ST listing rules recommend that the issuer retain the services of the issue manager for at least one year following its listing.

# Listing documentation and process

## Listing documentation and process

[Last updated: 1 January 2024, unless otherwise noted]

*The listing process*

Under the listing admissions framework, all applications for listing on the Mainboard of SGX-ST will be done through the submission of the Listing Admissions Pack.

Documents to be included in the listing application include the draft prospectus, draft constitution, declaration forms and resumes of directors, executive officers and controlling shareholders of the issuer, confirmations and reports as are required under the listing manual of SGX-ST.

SGX-ST will issue an eligibility-to-list letter with or without conditions (the ETL Letter), after it has completed its assessment on the listing suitability of the applicant. After SGX issues the ETL Letter to the issuer, the preliminary prospectus (where there is an offer of securities to investors in conjunction with the listing) may be lodged with the Monetary Authority of Singapore (MAS), together with, among others, consent letters of the professional advisers, compliance checklists in respect of the prospectus and any pre-deal research reports.

The preliminary prospectus will be uploaded on the MAS website (OPERA) on the day of lodgment for comment by the public. The MAS adopts a review process, similar to that of SGX-ST. The MAS reviews the preliminary prospectus for compliance with statutory requirements. After the MAS has completed its review of the prospectus and no further issues are raised by members of the public, the MAS will proceed to register the prospectus upon application by the issuer to do so. The issuer may then launch the offer of its securities and distribute the registered prospectus.

Under a concurrent review process that was introduced by the MAS in March 2010, the issuer may also submit its draft prospectus to MAS for pre-lodgment review at the same time as the submission of the listing application to SGX-ST. The minimum public exposure period for a prospectus that has been subject to pre-lodgment review is currently seven days. The prospectus will not be subject to further review by the MAS during the exposure period unless there are new developments or public comments that have material impact on the issuer of the offering.

The MAS may refuse to register a prospectus if it does not comply with the statutory disclosure requirements of the Securities and Futures Act, Chapter 289 of Singapore (SFA) or if it is not in the public interest to do so. After the prospectus is registered, the MAS may also stop an offer if the registered prospectus is found to be misleading or deficient subsequent to its registration.

*Contents of the prospectus*

The issuer must disclose in its prospectus all information that a reasonable investor would reasonably need to make an informed investment decision. It should include information in sufficient detail to enable investors to have a full and proper understanding of the issuer's business, financial conditions, prospects and risks, including all information that is set out in the regulatory requirements.

Disclosure that is required to be made in the prospectus include, but is not limited to:

Identity of directors, key executives, advisers and agents.

Offer statistics and timetable.

Financial data and operating results.

Use of proceeds from the offering and expenses incurred.

Risk factors.

History of the issuer, its organizational structure, business overview and trend information.

Directors' and substantial shareholders' interests in shares.

Share options.

Corporate governance.

Interested person transactions and conflicts of interest.

Litigation.

Dividend policy.

Plan of distribution.

Share capital and dilution information.

Material contracts entered into by the listing group.

Taxation matters.

With regard to the financial information for inclusion, the prospectus should include audited historical financial statements (profit and loss, balance sheet and cash flow statements) for the most recent three financial years, together with the audit report for each year. Interim financial statements must be provided if the date of lodgment of the preliminary prospectus is more than six months after the end of the most recent completed financial year for which audited financial statements are provided. Pro forma financial statements must also be provided for the most recent completed financial year and/or for the period covered by the interim financial statements if, among other situations, (a) the issuer or its group has acquired or disposed of any asset or entity, or entered into any agreement to acquire or dispose of any asset or entity, during the period between the beginning of the most recently completed financial year and the date of registration of the prospectus by MAS (which exceed certain prescribed thresholds) or (b) any significant change has occurred to the capital structure of the issuer or any group company during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the MAS.

Where the offer includes a US tranche, the prospectus needs to conform to US disclosure standards. In particular, the prospectus needs to include a discussion of relevant US tax issues, restrictions on transferring the shares and certain legends required by US federal and state securities laws.

For primary listings, the financial statements submitted with the listing application (as well as future periodic financial reports) must be prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)), International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (US GAAP). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I). For secondary listings, the financial statements submitted with the listing application and future periodic financial reports need only be reconciled to SFRS(I), IFRS or US GAAP.

*Typical process and timetable for a listing of an issuer on the Mainboard*

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/sglisting-documentation-and-process.pdf)

The same documentation and process requirements described in this section 3 expected of a domestic issuer will also apply to a foreign issuer.

# Continuing obligations/periodic reporting

## Continuing obligations/periodic reporting

[Last updated: 1 January 2024, unless otherwise noted]

*Disclosure of information*

After its initial listing, the listed issuer must comply with the continuing listing requirements of SGX-ST. The issuer generally must announce any information known to it, concerning it or any of its subsidiaries or associated companies, that is necessary to avoid the establishment of a false market in its securities or that would be likely to materially affect the price or value of its securities. There are two exceptions under SGX-ST listing rules from the requirement to make immediate disclosure:

Information may be withheld from disclosure if disclosure would breach the law.

An issuer may temporarily refrain from publicly disclosing particular information if:

A reasonable person would not expect the information to be disclosed.

The information is confidential.

The information concerns an incomplete proposal or negotiation, comprises matters of supposition, is insufficiently definite to warrant disclosure, is generated for the internal management purposes of the entity or is a trade secret.

The issuer must immediately announce certain specified matters on the SGXNET corporate announcement system, including, but not limited to:

Information about any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer.

Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.

Any appointment of a special auditor or an additional auditor. The issuer may be required by SGX-ST to announce the findings of the special auditors or the additional auditors.

Acquisitions or disposals of shares or other assets by any member of the listed group over a certain transaction value must be disclosed and may be required to be subject to shareholders' approval or be subject to the approval of SGX-ST as well.

Any application filed with a court to wind up the issuer or any of its subsidiaries or to place any of them under judicial management, or the appointment of a receiver, judicial manager or liquidator, or any significant litigation.

The use of the IPO proceeds and any proceeds arising from any secondary offerings as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to the shareholding interests of any controlling shareholder of the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities, significantly affecting the operations of the issuer or resulting in the issuer facing a cash flow problem, to announce details of such condition and the aggregate level of facilities that may be affected by a breach of such condition.

Interested person transactions of a certain transaction value between the issuer, a subsidiary or an associated company (over which the listed group and/or its interested persons has control) and a director, chief executive officer, controlling shareholder or any of their associates (these transactions may also need to be approved by the shareholders).

Any joint venture, merger or acquisition.

Any declaration or omission of dividends or the determination of earnings.

Firm evidence of significant improvement or deterioration in near-term earnings prospects.

Public or private sale of a significant amount of additional securities of the issuer.

The provision or receipt of a significant amount of financial assistance.

An investigation on a director or an executive officer of the issuer.

Interests or change in interests in the securities of an issuer of a director or substantial shareholder.

SGX-ST may, at any time, grant a trading halt to enable the issuer to disclose material information or suspend trading of the listed securities of an issuer at the request of the issuer. To the extent that an issuer is unable or unwilling to comply with, or contravenes a listing rule, SGX-ST may remove an issuer from the Mainboard. Further, under the SFA, an issuer listed on SGX-ST may be guilty of an offence if it intentionally, recklessly or negligently fails to notify SGX-ST of information on specified events or matters as they occur or arise. The issuer and/or its officers, if convicted, will be liable for a fine of up to S$250,000 (approximately US$189,475) and/or subject to imprisonment for up to seven years.

*Financial reporting*

A listed issuer must hold an annual general meeting. The time between the end of the issuer's financial year and the date of its annual general meeting must not exceed four months. The issuer must publish its annual report to shareholders and SGX-ST at least 14 days before the date of its meeting. The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its group, including, but not limited to:

A review of the operating and financial performance of the issuer and its principal subsidiaries in the last financial year.

Annual audited accounts (consolidated), audited balance sheet of the issuer (unconsolidated) and cash flow statement (consolidated).

A statement (as of the 21st day after the end of the financial year) showing the direct and deemed interests of each director of the issuer in the issuer's shares and convertible securities.

Particulars of material contracts involving the interests of the chief executive officer, any director or any controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Interested person transactions.

Dealings in securities.

Names, exact amounts and breakdown of remuneration paid by the issuer and its subsidiaries to each individual director and chief executive officer, in percentage terms, including their base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

In addition to the annual report, an issuer listed on the Mainboard must also publish the financial statements for the full financial year within 60 days from the end of the financial year. An issuer is required to announce quarterly and half-yearly financial statements within 45 days from the end of the relevant financial period if its auditors have issued an adverse opinion, a qualified opinion or a disclaimer of opinion on the issuer's latest financial statements, or its auditors have stated that a material uncertainty relating to it as a going concern exists in the issuer's financial statements.

*Sustainability reporting*

A listed issuer must issue a sustainability report no later than four months after the end of the financial year. The sustainability report must include the following primary components: (i) material environmental, social and governance factors; (ii) climate-related disclosures (consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)); (iii) policies, practices and performance; (iv) targets; (v) sustainability reporting framework, and (vi) a Board statement and associated governance structure for sustainability practices. The sustainability reporting process must be subject to internal review, but an independent external assurance may additionally be commissioned on the sustainability report. Where external assurance is provided on the sustainability report, the sustainability report must be issued no later than five months after the end of the financial year.

An issuer may exclude any primary component but must disclose such exclusion and describe alternatives undertaken, with reasons for doing so. Notwithstanding, climate-related disclosures cannot be excluded by an issuer in the following industries:

Financial.

Agriculture, Food and Forest Products.

Energy

Materials and Buildings.

Transportation.

In addition, there is a proposal for all Singapore-listed issuers (including those incorporated overseas, business trusts and real estate investment trusts), to issue climate-related financial disclosures in accordance with new reporting standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board. The mandatory climate-related reporting regime is proposed to take effect in relation to reports to be issued by Singapore-listed issuers in respect of their financial year ending 2025.

Under IFRS S1, an issuer will be required to identify broad sustainability-related risks and opportunities. While the matters to be covered are similar to the TCFD requirements, IFRS S1 will require a greater level of specificity and a discussion on the financial impact of the risks and opportunities relating to the environmental, social and governance factors reported on.

For purposes of reporting under IFRS S1, an issuer must have regard to Sustainability Accounting Standards Board standards and may also refer to the Framework Application Guidance for Water-related Disclosures and the Framework Application Guidance for Biodiversity-related Disclosures issued by the Climate Disclosure Standards Board.

Under IFRS S2, an issuer will be required to identify climate-related risks and opportunities. These are categorized into:

Physical, which includes risks and opportunities associated with rising aggregate global temperatures and associated physical impacts. Physical risks can be event-driven or identified as longer-term shifts in climate patterns.

Transition, which includes risks and opportunities associated with the transition to a low carbon economy. This includes policy, legal, technology, market or reputational changes that may (or may not) occur in the process of adjusting to a decarbonized economy.

For purposes of IFRS S2, an issuer should consider the applicability of industry-based disclosure topics as defined in Industry-Based Guidance on Implementing IFRS S2.

*Free Float*

After listing, any issuer must ensure at all times that the public holds at least 10% of its total issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed. "Public" refers to persons other than directors, chief executive officer, substantial shareholders (5%) or controlling shareholders (15%) of the issuer and its subsidiaries, and their respective associates.

If the percentage of securities held by the public falls below 10%, the issuer must, as soon as practicable, announce that fact, and SGX-ST may suspend trading of the shares. SGX-ST may allow the issuer a period of three months, or such longer period as SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be delisted if it fails to do so by the end of that period.

*Watch-List*

SGX-ST will place a Mainboard listed issuer on a watch-list if it records pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalization of less than S$40 million (approximately US$30.32 million) over the last six months.

While the issuer remains on the watch-list, trading in its securities will continue, unless a trading halt or a suspension is, or has been previously, effected. An issuer must take active steps to fulfil the requirements to be removed from the watch-list. If it fails to comply with the requirements within 36 months of the date on which it was placed on the watch-list, SGX-ST may either remove the issuer from the official list of SGX-ST, or suspend trading of the listed securities of the issuer, without its agreement, with a view to removing the issuer from the official list of SGX-ST.

*Insider trading*

The SFA provides that it is a criminal offence for a person who has "inside information" to deal in (or procure another person to deal in) securities listed on SGX-ST, whether within or outside Singapore. For an offence to be committed, the person must know or ought reasonably to know that the information is not generally available and that, if it were generally available, it might have a material effect on the price or value of those securities.

If the person is a "connected person," where it is shown that the "connected person" was at the material time in possession of information concerning the corporation to which he or she was connected, and the information was not generally available, it will be presumed that the "connected person" knew at the material time that the information was not generally available, and if the information were generally available, it might have a material effect on the price or value of the securities. The burden shifts to the "connected person" to rebut this presumption.

A "connected person" is a person who is connected to a corporation, such as:

An officer or substantial shareholder (a person who holds voting shares representing not less than 5% of the total votes) of that corporation or of a related corporation.

A person who occupies a position that may reasonably be expected to give him or her access to relevant information by virtue of (a) any professional or business relationships with (including through an employer or a corporation of which that person is an officer) that corporation or a related corporation; or (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

For these purposes, information is generally available if:

It consists of readily observable matter;

It has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information, and since it was so made known, a reasonable period for it to be disseminated among those persons has elapsed; or

It consists of deductions, conclusions or inferences made or drawn from information referred to in the first bullet and/or information made known as referred to in the second bullet.

For securities that are traded and listed on SGX-ST, it is also an offence for a person to communicate (or cause the information to be communicated) to another person if the person knows or ought reasonably to know that the other person would (or would be likely to) deal in the securities or procure a third person to deal in the securities.

A person who contravenes the insider trading prohibitions in the SFA will be liable on conviction to a fine of up to S$250,000 (approximately US$189,475) and/or subject to imprisonment for up to seven years. The MAS may also bring an action in court against the offender for a civil penalty (payable to the MAS) in respect of that contravention. Contravention of insider trading prohibitions may also give rise to civil liability.

Other prohibited market conduct

The SFA also prohibits certain forms of market misconduct, such as:

False trading and market rigging transactions.

Securities market manipulation.

Disclosure of false or misleading information likely to induce dealing in securities or to affect the market price of securities.

Use of a manipulative and deceptive device in connection with the subscription, purchase or sale of securities.

Dissemination of information about transactions entered into in contravention of the SFA.

A person who contravenes the market misconduct prohibitions in the SFA will be liable on conviction to a fine of up to S$250,000 (approximately US$189,475) and/or subject to imprisonment for up to seven years. The MAS may also bring an action in court against the offender for a civil penalty (payable to the MAS) in respect of that contravention. Contravention of market misconduct prohibitions may also give rise to civil liability.

# Corporate governance

## Corporate governance

[Last updated: 1 January 2024, unless otherwise noted]

The Code of Corporate Governance (the Code of Corporate Governance) which is applicable to listed companies in Singapore on a comply-or-explain basis, first came into effect on 1 January 2003 and was most recently revised on 6 August 2018 and updated on 11 January 2023. The Code of Corporate Governance aims to promote high levels of corporate governance in Singapore by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

The Code of Corporate Governance requires that there be a strong and independent element on the Board, with independent directors making up a majority of the Board where the chairman is not independent, and that non-executive directors make up a majority of the Board. The Code of Corporate Governance describes an independent director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

There should additionally be a clear division of responsibilities between the leadership of the Board and management, and the roles of chairman and chief executive officer should in principle be separate and not be fulfilled by the same person. The Board should also have a lead independent director who should be available to shareholders where they have concerns and for which contact through the normal channels of communication with the chairman or management are inappropriate or inadequate.

All listed companies must establish three sub-committees at the time of listing:

*Audit committee*. Comprising at least three directors, all non-executive, the majority of whom, including the committee chairman, should be independent. At least two members, including the committee chairman, should have recent and relevant accounting or related financial management expertise or experience.

*Nominating committee*. Comprising at least three directors, the majority of whom, including the committee chairman, should be independent. The lead independent director, if any, should be a member of this committee.

*Remuneration committee*. Comprising at least three directors, all non-executive, the majority of whom, including the committee chairman, should be independent.

The audit committee is responsible for reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, the adequacy of the issuer's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management (known as the "internal controls") and ensuring that a review of the effectiveness of the issuer's internal controls is conducted at least annually. The audit committee is also expected to meet with the external auditors, and with the internal auditors, without the presence of the issuer's management, at least annually and to review the independence of the external auditors.

The nominating committee is expected to make recommendations to the Board on all director appointments. It is responsible for the re-nomination of the directors, having regard to the director's contribution and performance (such as attendance, preparedness, participation and candor) and determining annually if a director is independent. Where a director has multiple board representations, the nominating committee should decide if that director has been adequately carrying out his/her duties as a director of the issuer and adopt internal guidelines to address the competing time commitments that directors who serve on multiple boards face. In addition, the nominating committee is expected to consider annually, and as and when circumstances require, if a director is independent.

The remuneration committee is expected to recommend to the Board a framework of remuneration for the Board and key executives and to determine specific remuneration packages for each director and the CEO (if not a director). The remuneration committee will also review the remuneration of senior management. Each issuer should also provide clear disclosure in its annual report of its remuneration policy, its level and mix of remuneration and the procedure for setting remuneration. Accordingly, the issuer should report to the shareholders each year on the remuneration of directors and the CEO on a named basis, and at least the top five key executives (who are not directors or the CEO) in bands of S$250,000 (approximately US$189,475) together with the total remuneration paid to the top five key executives.

The Code of Corporate Governance requires that the Board and board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age), with the intent of avoiding group-think and to foster constructive debate. The board diversity policy as required under SGX-ST listing rules (which must address gender, skills and experience, and any other relevant aspects of diversity), and progress made towards implementing the board diversity policy, including objectives, are to be disclosed in the issuer's annual report.

# Specific situations

## Specific situations

[Last updated: 1 January 2024, unless otherwise noted]

*Dual Class Shares*. SGX-ST permits the listing of dual class shares, save that such a listing applicant has to be suitable for listing with a dual class share structure. Some factors SGX-ST would consider include the role and contribution of the holder of multiple vote shares, the business model and whether sophisticated investors have participated in the company.

*Life sciences*. A life science company (generally, a company that is involved in research and development, production or commercialization using organisms or their life processes, which is based on biology, medicine or ecology) need not fulfill the quantitative criteria and may list its securities on the Mainboard if it fulfils a special set of criteria. These include:

Successfully raising funds from institutional investors, accredited investors or other relevant persons as contemplated under the SFA, prior to its IPO and not less than six months before the date of the listing application.

Having a market capitalization of at least S$300 million (approximately US$227.37 million), calculated based on the issue price and post-invitation issued share capital.

Having, as its primary reason for listing, the use of proceeds of the IPO to bring identified products to commercialization.

Demonstrating that it has a three-year record of operations in laboratory research and development and submitting to SGX-ST details of patents granted or details of progress of patent applications.

Demonstrating the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

Demonstrating the relevant expertise and experience of its key management and technical staff.

Having available working capital that is sufficient for its present requirements and for at least 18 months after listing.

A life science company that lists pursuant to these alternative listing requirements will be subject to more stringent disclosures, including quarterly announcements disclosing the use of funds for that particular quarter, as well as projections on the use of funds for the next immediate quarter. This rule ceases to apply once the issuer is able to meet the profit criteria or all of its principal products have reached commercialization.

*Property investment / development companies*. In addition to the general requirements for listing on SGX-ST Mainboard, a property investment/development company applying for admission must ensure that its properties that have remaining leases of less than 30 years do not, in aggregate, account for more than 50% of the listing group's operating profits for the past three years. In addition, the company must appoint an independent valuer to conduct a valuation of all its principal freehold and leasehold properties.

*Mineral, Oil and Gas*. A mineral, oil and gas company must be able to establish the existence of a meaningful portfolio of reserves in a defined area, which is substantiated by an independent qualified person's report.

A mineral, oil and gas company must have working capital that is sufficient for its present requirements and for at least 18 months after listing which must include (i) operating, general and administrative and financing costs; (ii) property holding costs; and (iii) costs of any proposed exploration and/or development. Working capital shall be considered as the applicant's ability to access cash and other available liquid resources (including proceeds from the initial public offering and projected cashflows but excluding future borrowings/financing which have not been obtained) in order to meet its liabilities as they fall due.

A mineral, oil and gas company must have at least one independent director with appropriate industry experience and expertise.

All mineral, oil and gas companies must satisfy other listing requirements for a Mainboard listing as described above.

A mineral, oil and gas company that cannot meet the listing requirements described above may list its securities on the Mainboard if it:

Has a market capitalization of at least S$300 million (approximately US$227.37 million) based on the issue price and post-invitation issued share capital.

Discloses its plans and milestones to advance to production stage with capital expenditure for each milestone. These plans must be substantiated by the opinion of an independent qualified person.

*Other situations*. There are no additional requirements, or changes in the normal requirements, that apply to very large, multinational or small companies listed on the Mainboard.

*Special Purpose Acquisition Companies*. Special Purpose Acquisition Company (SPAC) activity has grown exponentially over the past few years, driven largely by activity in the US. Along with this has been the follow-on growth in de-SPAC transactions, as publicly listed SPACs move through the transaction life cycle to merge with an acquisition target. See the Baker McKenzie [Global SPACs Guide](http://whem.bakerworld.com/global/knowhow-whem/Global/Capital%20Markets/Global%20SPACs%20Guide.pdf) for more information on listing a SPAC on SGX-ST.

# Presence in the jurisdiction

## Presence in the jurisdiction

[Last updated: 1 January 2024, unless otherwise noted]

Unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation, an issuer which is primary-listed on SGX-ST must hold all its general meetings at a physical place in Singapore, or at a physical place in Singapore while using technology that allows a person to participate in a meeting without being physically present at the place of meeting. Issuers who hold general meetings outside Singapore, such as if they are required to do so by the laws and regulations of their country of incorporation, must allow shareholders in Singapore to participate using virtual meeting technology, unless prohibited by restrictions in their jurisdictions or constitutions. Issuers who hold general meetings outside Singapore without allowing shareholders in Singapore to participate using virtual meeting technology should also hold information meetings for the shareholders at a physical place in Singapore, to provide an avenue to interact directly with the Board and management of the issuers as they would at the general meetings.

Where virtual meeting technology is used, an issuer must have processes for the registrar to verify and authenticate the identities of shareholders attending meetings using virtual meeting technology, provide real-time remote electronic voting and real-time electronic communication to enable shareholders to follow the proceedings and enable questions to be raised and answered. These are to be provided at no cost to shareholders.

In addition, an issuer must make arrangements satisfactory to SGX-ST, in order to enable shareholders in Singapore to register their shareholdings promptly. A Singapore share transfer agent and share registrar is typically appointed for this purpose. The registrar would be responsible for maintaining the register of shareholders.

Notices convening general meetings must be sent to shareholders at least 14 calendar days (or 21 calendar days if special resolutions are proposed) before the general meeting, containing information relating to details of the general meeting and instructions relating to participation, documents, questions and voting. In particular, shareholders must be given the opportunity to ask written questions and should be allowed at least seven calendar days after the publication of the notice of general meeting to submit their written questions prior to general meetings. The issuer must respond to all substantial and relevant comments or queries promptly, either prior to the general meeting through publication on SGXNET (and, if available, the issuer's corporate website), or during the general meeting, but in either case at least 48 hours prior to the closing date and time for the lodgment of proxy forms so as to facilitate shareholders' votes.

# Fees

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

The various fees payable to SGX-ST include:

*Initial listings*. The initial listing fee is based on market capitalization, and ranges from S$100,000 to S$200,000 (approximately US$75,790 to US$151,580). In addition, there is a non-refundable processing fee of S$20,000 (approximately US$15,158) for an application for admission to the Mainboard.

*Additional listings*. Where an issuer lists additional securities, it must pay SGX-ST an additional listing fee based on market capitalization, ranging from S$30,000 to S$200,000 (approximately US$22,737 to US$151,580). No additional listing fee will be required for corporate actions where there is no change in the total market value of that class of securities, such as a share split, share consolidation, bonus share issue or capital reduction, or for an issuance of additional equity securities arising from an exercise of employee share options.

*Annual listing fee*. The annual listing fee similarly varies based on market capitalization, and ranges from S$35,000 to S$150,000 (approximately US$26,527 to US$113,685).

*Processing fees*. SGX-ST charges a non-refundable fee for processing documents, such as circulars, information memorandums, introductory documents and constitutional documents, ranging generally from S$3,000 to S$8,000 (approximately US$2,274 to US$6,063). These fees vary depending on the nature and complexity of the case.

Additionally, lodgment fees will be payable to MAS upon lodgment of the preliminary prospectus (S$2,000, or approximately US$1,516), as well as any amendment (S$1,000, or approximately US$758), supplement or replacement (S$2,000, or approximately US$1,516) and any offer information statement for subsequent offers (S$420, or approximately US$318).

# Additional Information

## Additional Information

[Last updated: 1 January 2024, unless otherwise noted]

All information and materials submitted to SGX-ST and the MAS or disclosed to the market in Singapore must be in the English language.

# Contacts

## Contacts within Baker McKenzie. Wong & Leow

Lean Min-tze of Baker McKenzie.Wong & Leow, a member firm of Baker & McKenzie International, in Singapore is the most appropriate contact for inquiries about prospective listings on SGX-ST

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