

CAPITAL MARKETS

Boosting Singapore Equities Markets: Proposals for Streamlining Prospectus Requirements and Broadening Investor Outreach Channels, and a More Disclosure-Based Regime

Introduction

On 15 May 2025, the Singapore Exchange Regulation ("SGX RegCo") and the Monetary Authority of Singapore ("MAS") issued Consultation Papers on [*Streamlining of Prospectus Requirements and Broadening of Investor Outreach Channels*](#) ("MAS Consultation Paper") and [*Shifting to More Disclosure-Based Regime*](#) ("SGX RegCo Consultation Paper"), respectively. Proposals in the Consultation Papers flesh out the recommendations by the Equities Market Review Group ("Review Group"), which was established by MAS on 2 August 2024 to recommend measures to enhance the development of Singapore's equities market. The first set of measures was announced by the Review Group on 21 February 2025. Among the first set of measures recommended by the Review Group is a recommendation for a more pro-enterprise approach to regulation, alongside measures to strengthen investor confidence. A summary of these measures is covered in our earlier Update [here](#). Both consultations end on **14 June 2025**.

This Update outlines the key proposals in both Consultation Papers.

MAS Consultation Paper on Proposals to Streamline Prospectus Requirements and Broaden Investor Outreach Channels for Initial Public Offerings ("IPOs")

Executive Summary

MAS proposes changes in three broad areas:

1. **Streamline the prospectus disclosure requirements for *primary listings***, to focus on core requirements for informed decision-making, while aligning with international standards. These proposed amendments relate to prospectus disclosure requirements for offers of shares undertaken by issuers who are seeking a primary listing on SGX ("**Primary Listing Offers**"),

found in the Fourth and Fifth Schedules to the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations ("SF(OI)(SSDC)R").

2. **Simplify the process for *secondary listings*** by proposing a new set of prospectus disclosure requirements for offers of shares undertaken by issuers who have or are seeking a primary listing on certain overseas exchanges and are seeking a secondary listing on SGX ("**Secondary Listing Offers**"). Issuers will be able to prepare their prospectuses based on disclosure documents lodged in their home markets, with minimal adaptation. These requirements are found in the proposed Twenty-Second and Twenty-Third Schedules to the SF(OI)(SSDC)R.
3. **Policy proposals to provide more flexibility and scope for engaging investors in the IPO process.**

Key details of these proposals are discussed below. For the detailed amendments, please refer to the MAS Consultation Paper.

Streamlining Prospectus Disclosure Requirements for Primary Listing Offers

1. Amendments to drive more targeted and meaningful disclosures. Examples include:
 - Conflict of interests – Issuers are currently required to disclose the list of all entities owned by its directors or controlling shareholder that carry on the same business as the issuer.

MAS proposes to streamline the existing requirement to require issuers to provide clear disclosure on the core substance of conflicts faced, instead of purely factual information about the entities.
 - Production facilities. Issuers are currently required to disclose historical datapoints about the capacity and utilisation rates for each of its production facilities.

MAS proposes to streamline the existing requirement to allow issuers more room to explain their operational capacity without overly technical specifications and in a way that is appropriate for the industry that they are operating in.
2. Amendments to ensure that the time and costs needed to compile the requisite information is commensurate with its informational value to investors. Examples include:
 - Interim financial statements. Currently, issuers are required to include in the prospectus interim financial statements that cover either the first 3, 6 or 9-month period of the current financial year if the end of the financial year covered by the last full year financial statements included in the prospectus is more than 6, 9 or 12 months before the lodgement of the prospectus, respectively. MAS proposes to only require the inclusion of interim financial statements covering at least the first 6 months of the current financial year if the end of the financial year covered by the last full year financial statements included in the prospectus is more than 9 months before the lodgement of the prospectus.
 - Profit forecast. Currently, the inclusion of a profit forecast in the prospectus must be accompanied by a third-party attestation. MAS proposes to require the issuer's board to provide the necessary attestation, instead of a third-party.

3. MAS also proposes changes to reduce the scope of disclosures required of past events or historical details where these are less relevant to investors, such as past share capital changes of and dividends paid by an issuer's subsidiaries.

Streamlining Prospectus Disclosure Requirements for Secondary Listing Offers

Currently, issuers that are keen on a secondary listing in Singapore and wish to offer shares to retail investors in conjunction with the listing are required to comply with the same prospectus disclosure requirements as an issuer who is seeking a primary listing in Singapore.

MAS proposes to simplify the secondary listing prospectus disclosure requirements and align them closely with the International Organisation of Securities Commissions (IOSCO) Standards. This supports the compatibility of these simplified requirements with the disclosure requirements of the home markets.

Broadening Investor Outreach Channels for IPOs

1. **Permit earlier engagement with retail investors:** The SFA contains certain restrictions as to when an issuer may publicise its offer and engage with investors. Specifically, an issuer undertaking an IPO may only disseminate a prospectus, profile statement, or a product highlights sheet to retail investors¹⁰ after it has been registered by MAS.

MAS proposes to allow issuers to, upon lodgement, disseminate the preliminary prospectus and present oral or written material on matters contained in the preliminary prospectus to retail investors (including during roadshows). This will be subjected to safeguards to alert investors to the fact that there could be changes to the preliminary prospectus and prohibit issuers from communicating information that is not found in the preliminary prospectus. These safeguards are detailed in the MAS Consultation Paper. In addition, issuers will not be allowed to make any offer to or solicit any subscription from the retail investors that they engage with until the final prospectus is registered.

2. **Provide flexibility for issuers to engage potential institutional investors ("IIs") and accredited investors ("AIs") earlier.** Currently, issuers can only disseminate a preliminary prospectus as well as oral or written material to IIs and AIs after the prospectus is lodged.

MAS proposes to provide more flexibility for issuers to engage IIs and AIs by allowing issuers to present oral or written material about the intended IPO at any time prior to the lodgment of the preliminary prospectus. Engagements will be subject to safeguards that are detailed in the MAS Consultation Paper.

3. **Expand the scope of information issuers can provide.** Currently, unless otherwise authorised under the SFA, only certain information is allowed to be disseminated to the public before registration of a prospectus or profile statement.

MAS proposes expanding the scope of information that issuers can provide to the public before registration of the prospectus or profile statement to include anticipated timing, manner and purpose of the intended offer.

SGX RegCo Consultation Paper on Shifting to More Disclosure-Based Regime

Executive Summary

SGX RegCo proposes:

1. Reforms to the SGX-ST Listing Rules (Mainboard) ("**Mainboard Rules**") to streamline its qualitative, merit-based, admission criteria, while ensuring the disclosure requirements remain sufficiently relevant and robust.
2. Revisions to certain quantitative admission criteria, particularly, the profit test, and the alternative listing admission criteria for life science companies. SGX RegCo will also make other clarificatory amendments to the Mainboard Rules.
3. A more targeted approach in its administration of post-listing queries and obligations to address market feedback of unintended negative effects, and to better balance market discipline and investor protection.

Key details of these proposals are discussed below. For the detailed amendments to the Mainboard Rules, please refer to the Appendix to the SGX RegCo Consultation Paper.

SGX RegCo continues to monitor unusual trading activity, false or misleading disclosures, and corporate malfeasance. SGX RegCo will also work closely with MAS, and other relevant authorities, to take enforcement actions where warranted.

Separately, the Review Group is currently conducting a review of enhanced investor recourse avenues, as well as potential enhancements to the Catalist board, focusing on its value proposition and regulatory framework. SGX RegCo will issue a separate consultation on any recommendations arising from those reviews.

1. Streamlining of Qualitative Admission Criteria Towards a More Disclosure-Based Regime

SGX RegCo will **retain** its qualitative admission criteria in the areas of a listing applicant's directors, management, and controlling shareholders, and its financial position, subject to changes outlined below. SGX RegCo will also retain the discretion to reject applications as it deems appropriate, for instance if the listing is not in the public interest. These changes include:

- A new Mainboard Rule will provide that audited financial statements submitted by a listing applicant with its application must **not** be subject to an adverse opinion, qualified opinion, or disclaimer of opinion by the auditors.
- Debt arrangements with the listing applicant's directors, substantial shareholders, and/or companies controlled by its directors and substantial shareholders, must be disclosed if they give rise to actual or potential material conflicts of interest situations.
- A listing applicant should **not** be restricted from using revaluation surplus to calculate its net tangible assets per share or to issue bonus shares.

- Given MAS' proposal to require the issuer's board instead of third parties (e.g., external auditors) to provide attestation on profit forecasts and profit estimates included in the prospectus, such profit projections should be excluded from the matters to be covered in the auditors' letter to the Exchange after a listing applicant receives approval-in-principle.

2. Updating Quantitative Admission Criteria to Reflect Market Needs

- **Profit test:** To be eligible for listing, a listing applicant must satisfy at least one of three quantitative financial criteria. One such criterion is that the listing applicant must have a minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S\$30 million for the latest financial year, and have an operating track record of at least three years. SGX RegCo seeks feedback whether the S\$30 million profit criterion is relevant as a quantitative financial criterion. If not, whether the requirement should be removed, or the S\$30 million figure reduced. If the figure is to be reduced, what an appropriate threshold should be between S\$10 million and S\$12 million.
- SGX RegCo proposes deleting the exception for temporary low profits. This is to simplify and streamline the profit requirements in the quantitative financial criteria.
- **Life sciences companies:** Currently, the Mainboard Rules provide alternative listing admission criteria for a life sciences company that is unable to satisfy the quantitative financial admission requirements. SGX RegCo proposes refining certain requirements applicable to life sciences companies, including:
 - a reduction in the listing applicant's record of operations from three years to two years, with an additional requirement for the listing applicant to be primarily engaged in laboratory research and development in respect of its identified products in the one year prior to its listing; and
 - the successful development of at least one of the listing applicant's identified products beyond the concept stage.

SGX RegCo intends to amend Practice Note 6.2 of the Mainboard Rules to set out general principles by which SGX RegCo would consider this requirement satisfied.

3. Adjustment to Post-Listing Queries and Obligations

- SGX RegCo proposes to remove the Financial Watch-list and changes to post-listing queries and alerts. Notwithstanding the removal of the Financial Watch-list, an issuer listed on the Mainboard should be required to announce when it records pre-tax losses for the third consecutive financial year.
- SGX RegCo will no longer issue such trading queries publicly as this may cause unnecessary alarm.
- For Trade-with-caution ("**TWC**") alerts, SGX RegCo proposes to limit the validity period of TWC alerts to two weeks from the time the TWC alert is issued. Where there are reasons to suspect that the underlying conditions for the initial TWC alert still exist, SGX RegCo may re-issue another TWC alert, and specify a longer validity period, if necessary.

- SGX RegCo intends to recalibrate trading suspensions for issuers in financial difficulty. Suspensions will only be considered where there is clear evidence of going concern issues, such as the commencement of formal insolvency or restructuring proceedings. This minimises unnecessary market disruption and provide greater certainty for issuers.

4. Clarificatory and Editorial Amendments

On auditing standards, SGX RegCo proposes that the annual financial statements submitted together with the listing application may also be audited in accordance with the auditing standards established by the Public Company Accounting Oversight Board (PCAOB). SGX RegCo will also make several editorial amendments to the Mainboard Rules.

If you have any queries on the above development, please reach out to our Team members set out on the Contacts page.

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