



## News Release

26 June 2018

### SGX launches rules for listing of dual class shares companies

Singapore Exchange (SGX) today introduced rules that make possible the listing of companies with dual class shares (DCS) structures as Singapore gears up for the New Economy.

“SGX today joins global exchanges in Canada, Europe and the US where companies led by founder-entrepreneurs who require funding for a rapid ramp-up of the business while retaining the ability to execute on a long-term strategy, are able to list. Investors who understand and agree with the business model and management of DCS companies will also have more choice,” said Loh Boon Chye, CEO of SGX.

The rules follow two rounds of public consultations with the second consultation closing on 27 April 2018. Safeguards to address specific risks associated with DCS include:

1. Requiring an enhanced voting process where all shares carry one vote each regardless of class, for the appointment and removal of independent directors and/or auditors, variation of rights attached to any class of shares, a reverse takeover, winding-up or delisting.
2. Requiring the majority of the audit committee, the nominating committee and the remuneration committee, and each of their respective chairman, to be independent directors.
3. Capping each multiple voting (MV) share at 10 votes a share and limiting the holders of MV shares to named individuals, or permitted holder groups whose scope must be specified at IPO.
4. Requiring sunset clauses where MV shares will auto-convert to ordinary voting (OV) shares under circumstances the company must stipulate at the time of the IPO.

SGX’s responses to the feedback received are found [here](#). The rules take effect immediately.

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#### About Singapore Exchange (SGX)

Singapore Exchange is Asia’s leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia’s most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and 75% of listed bonds originating outside of Singapore.

SGX is the world's most liquid offshore market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit [www.sgx.com](http://www.sgx.com).

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