



## News Release

11 January 2018

### SGX consults on quarterly reporting

Singapore Exchange (SGX) is seeking feedback on whether to retain quarterly reporting (QR). Concern about compliance costs has been repeatedly raised among market professionals and listed companies while investors prefer adjustments to QR to be tempered.

If QR is retained, SGX proposes the following options:

1. Companies with market capitalisation of S\$150 million or more will do QR versus S\$75 million now. Some 37% of companies reported quarterly when QR first started in 2003 while 70% of companies do so today, or
2. Companies with market capitalisation of S\$150 million and a shareholder with at least 15% of the companies' shares must do QR.
3. The above-mentioned options are tied to market capitalisation. SGX is also seeking feedback on whether this is appropriate, and if not, what other options should be considered.

If QR is retained, we are also proposing that:

1. Minority shareholders of a reporting company can vote to opt out of QR every three years.
2. Content of any reports for the first and third quarter will be simplified to the balance sheet, income statement, cash-flow statement, review of performance commentary of significant trends, and board confirmation.
3. New issuers may be exempted from QR until the third AGM after the listing date.

Subject to feedback and the approval of the Monetary Authority of Singapore, the proposals may be implemented together or separately.

"We have been taking steps to strengthen the continuous disclosure regime including launching a guide to help companies manage confidential information, and proposing more disclosures in areas of concern. These help address the information asymmetry between controlling and minority shareholders. Stakeholders including investors, have also expressed concerns about compliance cost. We have weighed these concerns and international developments in coming up with our proposals on possible changes to quarterly reporting," said Tan Boon Gin, CEO of Singapore Exchange Regulation.

"Each of the different quarterly reporting approaches has its benefits. Allowing minority shareholders to decide whether or not a reporting company can opt out of QR is guided by concerns about investors' lack of access to management. An increased market capitalisation threshold for QR has been suggested to address the relatively higher costs small companies incur. Putting forward the

various options for consultation will allow SGX to gauge the level of market readiness and receptiveness to each stance,” Mr Tan added.

The public can submit feedback on the proposed QR review till 9 February 2018. Full details of the public consultation including the questions SGX posed are found [here](#).

If adopted, SGX expects to implement a new QR requirement in the second half of 2018.

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### **About Singapore Exchange**

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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