



Media Release

ABS and SGX RegCo enhance due diligence standards

Singapore, 13 Nov 2020 – The Association of Banks in Singapore (ABS) announced today an enhancement of the ABS Listings Due Diligence Guidelines, which have been revised in close collaboration with Singapore Exchange Regulation (SGX RegCo) to raise standards of due diligence conducted on companies planning to list on Singapore Exchange (SGX).

The updated Guidelines launched today are an enhancement from the previous guidelines which were last revised in 2016. They set out expectations and recommendations on due diligence work that issue managers and full sponsors carry out during the initial public offer (IPO) / reverse takeover (RTO) and listing process.

Key updates in the revised guidelines include:

- An increased focus on the assessment of the adequacy and effectiveness of the issuer's internal controls to meet its business needs and challenges as a listed company;
- The assessment of the sustainability and viability of the issuer's business, taking into consideration, in particular, the challenges posed by the prevailing economic climate; and
- Targeted guidelines for due diligence on issuers operating in specialised, restricted or niche industries, and/or in higher risk jurisdictions.

Mrs Ong-Ang Ai Boon, Director, ABS, said, "ABS is pleased to have worked closely with SGX RegCo once again to update, strengthen and refine the standards of due diligence that our members are expected to carry out. These guidelines represent an important supporting pillar of robustness to Singapore's positioning as a leading listing venue for sectors including healthcare, commodities, oil and gas, REITs and business trusts – and regular updates are necessary to ensure that the guidelines continue to be relevant to the constantly-changing economic climate. With the increase in issuers from more nascent sectors such as technology that are seeking equity capital, it becomes especially important for issue managers, full sponsors and their professionals to adapt due diligence practices that address the particular needs of the new market environment."

Mr Tan Boon Gin, CEO, SGX RegCo, said, "Issue managers and full sponsors are our fellow frontline gatekeepers to our market. That is their first and foremost role and responsibility. They must therefore emphasise substance over form and exhibit a healthy dose of professional scepticism when conducting listings due diligence. Where due diligence is robust and of a high standard, increased investor confidence and quality listings will follow."

The updated ABS Listings Due Diligence Guidelines may be found [here](#).

-The End -



About The Association of Banks in Singapore:

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of more than 150 local and foreign banks. More information on ABS is available on the website: www.abs.org.sg.

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 over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international 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.

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