



News Release

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SGX RegCo wants Singapore-registered auditor for all listed companies, proposes new rules on property valuers and valuations

Singapore Exchange Regulation (SGX RegCo) is consulting the market on proposals to strengthen oversight of audits by requiring all listed companies to appoint an auditor registered with the Accounting and Corporate Regulatory Authority (ACRA). In exceptional circumstances, SGX RegCo may direct the appointment of an additional auditor.

SGX RegCo also wants to raise the reporting standards of property valuation by listed companies.

“Reliable and informative financial statements are the bedrock of our financial markets. Requiring all listed companies to appoint a Singapore-registered auditor and giving SGX RegCo the power to appoint an additional auditor will also increase the accountability of auditors and improve investor confidence in audits. The enhancements SGX RegCo is proposing on valuation are aimed at raising standards and ensuring quality disclosures on valuations of real estate, and is the result of our collaboration with the industry,” said Tan Boon Gin, CEO of SGX RegCo.

The enhancements being contemplated include:

1. Regulatory regime for conduct of auditors:

SGX RegCo proposes that all issuers must appoint an auditing firm and audit partner registered with ACRA. Foreign issuers that wish to appoint foreign auditors must also appoint an auditor registered with ACRA to act as a joint auditor.

If this proposal is implemented, audits performed for all SGX-listed issuers will effectively be subject to ACRA’s regulatory oversight.

2. Circumstances to direct appointment of additional auditor

SGX RegCo currently has the authority to require issuers to appoint independent professionals, as well as special auditors, for specified purposes. SGX RegCo seeks feedback on the circumstances under which it may be appropriate to direct an issuer to appoint an additional auditor to audit the issuer’s financial statements so as to address uncertainties in the market in a timely manner. SGX RegCo may require that the additional auditor provide a second independent opinion on the issuer’s financial statements or to act as a joint auditor.

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3. Qualifications of property valuer:

To ensure professionals carrying out valuations of property assets are sufficiently qualified, SGX RegCo proposes that valuers must have at least 5 years' relevant experience in conducting valuations for the type of property being valued. Valuers should also be a member of the Singapore Institute of Surveyors and Valuers (SISV) or a similar professional body in the home jurisdiction which has the powers to discipline and revoke the membership of the valuer. The valuer should be independent of the issuer, and cannot be a sole practitioner or have an adverse compliance track record.

4. Standards for property valuation reporting:

To ensure comparability of information for investors, SGX RegCo proposes to require issuers and listing applicants to comply with the SISV standards for the valuation of properties in Singapore. For overseas properties, valuation may be carried out in accordance with the SISV or the International Valuation Standards (IVS) set by the IVS Council. Summary property valuation reports that are disclosed must contain the information required for prospectus and circulars as set out under the SISV Practice Guide.

The consultation can be found [here](#) and is open for feedback till 14 February 2020.

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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 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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