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News Release

2 September 2021

SGX introduces SPAC listing framework

Singapore Exchange (SGX) today announced new rules that enable Special Purpose Acquisition Companies (SPACs) to list on its Mainboard effective 3 September 2021.

“SGX’s SPAC framework will give companies an alternative capital fund raising route with greater certainty on price and execution. We want the SPAC process to result in good target companies listed on SGX, providing investors with more choice and opportunities. To achieve this, you can expect us to focus on the sponsors’ quality and track record. We have also introduced requirements that increase sponsors’ skin in the game and their alignment with shareholders’ interest,” said Tan Boon Gin, CEO of Singapore Exchange Regulation (SGX RegCo).

An SGX listing under the SPAC framework must have the following key features:

1. Minimum market capitalisation of S\$150 million
2. De-SPAC must take place within 24 months of IPO with an extension of up to 12 months subject to fulfilment of prescribed conditions
3. Moratorium on Sponsors’ shares from IPO to de-SPAC, a 6-month moratorium after de-SPAC and for applicable resulting issuers, a further 6-month moratorium thereafter on 50% of shareholdings.
4. Sponsors must subscribe to at least 2.5% to 3.5% of the IPO shares/units/warrants depending on the market capitalisation of the SPAC
5. De-SPAC can proceed if more than 50% of independent directors approve the transaction and more than 50% of shareholders vote in support of the transaction
6. Warrants issued to shareholders will be detachable and maximum percentage dilution to shareholders arising from the conversion of warrants issued at IPO is capped at 50%
7. All independent shareholders are entitled to redemption rights
8. Sponsor’s promote limit of up to 20% of issued shares at IPO

Over 80 respondents provided feedback, possibly the highest response rate to an SGX consultation in recent times. They included financial institutions, investment banks, private equity and venture capital funds, corporate finance firms, private investors, lawyers, auditors and stakeholder associations whose views have been carefully considered in arriving at the framework.

SGX will work with the Securities Investors Association (Singapore) to increase retail investors’ understanding of SPACs through collaborative efforts including the conduct of educational programmes. SGX will separately partner Singapore Institute of Directors to educate future directors of SPACs on the responsibilities and duties expected of them.

SGX’s responses to the feedback received and the new rules can be found [here](#).

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About Singapore Exchange

Singapore Exchange is Asia's leading and trusted securities and derivatives market infrastructure, operating equity, fixed income, currency and commodity markets to the highest regulatory standards. It also operates a multi-asset sustainability platform, SGX FIRST or Future in Reshaping Sustainability Together (sgx.com/first).

SGX is committed to facilitating economic growth in a sustainable manner leveraging its roles as a key player in the ecosystem, a business, regulator and listed company. With climate action as a key priority, SGX aims to be a leading sustainable and transition financing and trading hub offering trusted, quality, end-to-end products and solutions.

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. 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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