

Key regulatory changes

Capital raising

■ **Dual-class shares:** A public consultation on whether to allow dual-class share structures on the Singapore Exchange is expected to take place in the early part of 2017.

■ **Securities crowdfunding:** New rules will close a loophole that allowed crowdfunding platforms to use promissory notes to avoid being licensed or having to issue a prospectus. But the lifting of a financial means requirement for investors and lower capital requirements for platforms will ease access to retail investors.

■ **Venture capital:** The Monetary Authority of Singapore is planning a review of venture capital rules to simplify and shorten the authorisation process for new fund managers.

Regulatory powers

■ **SGX Regco:** The Singapore Exchange will place its regulatory function in a new company governed by a separate board of directors, to strengthen the wall between its commercial and regulatory interests.

■ **Anti-money laundering:** MAS has set up dedicated departments to target money laundering and terrorism financing. The move came as a number of private banks in Singapore were censured or punished for their roles in the movement of money related to Malaysia's 1MDB.

■ **Fintech sandbox:** MAS has created a regulatory "sandbox" where rules can be adjusted to allow for financial technology firms to experiment with innovations.

■ **Member supervision:** MAS has taken over the supervision of exchange members' compliance with statutory requirements, leaving exchanges to focus on risk management and trading-rule compliance among their members.

■ **Redomiciling:** A proposal is in place to allow foreign companies to transfer their registration to Singapore. This is part of a broader review of the Companies Act aimed at raising the competitiveness of Singapore's corporate regulatory regime.

Bonds

■ **Private banking rebates:** A new industry code of conduct now requires private banks to disclose rebates they receive for selling bonds. Those rebates had been criticised as a conflict of interest and as contributing to the mispricing of risk in the Singapore bond market.

■ **Bond seasoning and exempt issuers:** Corporate bond issuers no longer have to publish a prospectus for plain-vanilla retail bonds if those bonds had already been listed wholesale for six months, or if the issuer passes stringent credit quality tests.

Governance and investor protection

■ **Minimum trading price:** Mainboard-listed companies are now exempt from maintaining a share price of at least 20 S cents if their market capitalisation is at least S\$40 million. Assessment for the watch list under the new rule will begin in June 2017.

■ **Code of Corporate Governance review:** The Monetary Authority of Singapore (MAS) has said that it plans to convene a review of the governance code. No timings have been announced. Among the issues to be studied is a recommendation for companies to set and disclose board diversity policies and targets.

■ **Sustainability reporting:** Singapore-listed companies will have to publish a sustainability report for any financial year that occurs after Dec 31, 2017.

■ **Reit managers:** From Jan 1, 2017, Reit managers and their directors will have a statutory duty to prioritise the interests of unitholders over those of the Reit manager and its shareholders if a conflict of interest arises.

■ **Accredited investors:** Investors with at least S\$2 million of net personal assets will be recognised as accredited and become eligible for certain complex products only after they opt in to that status. New rules also cap at S\$1 million the amount from an individual's home value that can be used for accreditation eligibility.

■ **Quarterly reporting:** SGX has said that it will review existing requirements for quarterly reporting to see if there is a less burdensome way for companies to disclose material information in a timely manner.

■ **ETF transactions for clients:** Financial advisers are now able to execute exchange-traded fund transactions for clients instead of having to go through brokers.