

Excerpt



Council on Corporate Disclosure and Governance chairman J Y Pillay

Mandatory quarterly reporting for listed companies from Jan 1

DESPITE reservations from some quarters, the government has decided to implement mandatory quarterly reporting as planned from Jan 1 next year, although the smallest listed companies will get a one-year reprieve.

In a statement yesterday, the Ministry of Finance (MOF) said it has accepted the recommendations of the Council on Corporate Disclosure and Governance (CCDG) to proceed with compulsory quarterly reporting for listed companies, but will defer the implementation date for one year for companies with a market capitalisation of \$20 million or below as at Sept 30, 2002.

The decision to proceed with mandatory quarterly reporting will affect some 482 companies listed on the Singapore Exchange. Of these, 101 or about 20 per cent, have a market capitalisation of \$20 million or less, based on BT's own compilation. These smaller companies will be required to report results quarterly only from Jan 1, 2004. Companies that do quarterly reporting need not prepare separate half-year reports after the second quarter.

The idea of mandatory quarterly reporting for listed companies was first mooted by the Dis-

closure and Accounting Standards Committee (DASC) in December 2000. In October 2001, the government accepted the DASC's recommendation for all listed companies to do quarterly reporting for financial periods starting from Jan 1, 2003.

However, in the wake of accounting scandals in the US, as well as continued reservations by smaller companies, the issue came under scrutiny again this year. After its formation in August 2002, the CCDG, tasked with setting accounting standards in Singapore, initiated a discussion on quarterly reporting, meeting twice before finally submitting its recommendations to MOF.

In a letter to Deputy Prime Minister Lee Hsien Loong, who is also Minister for Finance and chairman of the Monetary Authority of Singapore, CCDG chairman J Y Pillay said: "The council was persuaded to the importance of quarterly reporting of financial results by the need for timely disclosure in the context of a rapidly evolving economy and increasingly volatile markets. The move to a disclosure-based regime sharpens the need for investors to be more frequently informed of the progress of companies."

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