

REGIONAL UPDATE
SINGAPORELoo & partners LLP
俊昭法律事務所**PROPOSED ALIGNMENT OF LISTING RULES WITH COMPANIES (AMENDMENT) ACT**

On 11 January 2016, Singapore Exchange Limited (“**SGX**”) issued a consultation paper on proposed amendments to the SGX-ST Listing Rules (Mainboard) and the SGX-ST Listing Rules (Catalist) (collectively, the “**Listing Rules**”).



The Listing Rules are currently being reviewed to take into account the recent changes to the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) pursuant to the Companies (Amendment) Act 2014 (“**Amendment Act**”). A summary of some key proposed changes to the Listing Rules is set out below.

1. Insurance Coverage and Indemnities for Directors

For the purpose of clarity, SGX has proposed to formalise the position that permitted insurance coverage and indemnities for directors are not considered to be interested person transactions under the Listing Rules. The Amendment Act expressly allows a company to indemnify its officers against third party liability, subject to certain liabilities which may not be indemnified.

2. Electronic Transmission of Notices and Documents to Shareholders

To align the Listing Rules with the recent changes to the Companies Act, SGX has proposed to allow issuers to electronically transmit certain types of notices and documents to shareholders if there is express or deemed consent of the shareholders. Under the Companies Act, companies may also imply consent of the shareholders.

As a safeguard, certain notices and documents may not be transmitted electronically. For clarity, SGX has proposed that all notices and documents be divided into three categories:

- (a) matters which may have a significant dilutive effect or substantial impact on a shareholder’s interest;
- (b) matters which may require shareholders to complete documents in accordance with specified procedures; and
- (c) routine matters of the issuer.

Notices and documents relating to the first two categories would have to be sent to shareholders by way of physical copies. Documents which relate to routine matters of the issuer can be sent by electronic means to aid the issuer in reducing operational costs.

3. Treatment of Shares Held by a Subsidiary in its Holding Company

It is proposed that shares held by a subsidiary in its holding company:

- (a) be excluded from the calculation of issued share capital where it relates to voting rights; and
- (b) not be excluded from the calculation of (i) issued share capital where it does not relate to voting rights, and (ii) market capitalisation.

Issuers and practitioners should keep abreast of the impending amendments to the Listing Rules.

■ MS. CHOO SONG PING

Legal Associate (Corporate Practice)

■ T: (65) 6322 2207

■ F: (65) 6534 0833

■ E: choosongping@loopartners.com.sg

■ MS. CANDICE YONG

Legal Associate (Corporate Practice)

■ T: (65) 6322 2230

■ F: (65) 6534 0833

■ E: candiceyong@loopartners.com.sg

Loo & Partners LLP
143 Cecil Street, Level Ten, GB Building
Singapore 069542
www.loopartners.com.sg