

ENHANCEMENTS TO REGULATORY REGIME FOR PROPERTY VALUATION AND AUDITORS

AMENDMENTS TO MAINBOARD RULES ON PROPERTY VALUATION

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

"associate"

in the case of a company,

- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:—
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

in the case of a REIT, "associate" shall have the meaning defined in the Code on Collective Investment Schemes issued by the MAS; and in the case of a business trust,

- (a) in relation to any director, chief executive officer, or controlling shareholder of the trustee-manager, substantial unit-holder or shareholder of the trustee-manager, substantial unit-holder or controlling unit-holder of the business trust (being an individual) means:—
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to the controlling shareholder of the trustee-manager or substantial unit-holder or controlling unit-holder of the business trust (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

in the case of an individual, means

- (a) his immediate family;

- (b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more

“property valuation report”

a report that meets the following minimum requirements:

- (a) is prepared by a property valuer in accordance with the property valuation standards; and
- (b) states the name, professional qualifications and the relevant licence registration number of the property valuer in charge of the valuation, and the standards employed by the property valuer

“property valuation standards”

- (a) for real properties located in Singapore, the standards set by the Singapore Institute of Surveyors and Valuers; or
- (b) for real properties located outside of Singapore, the International Valuation Standards or the relevant local standards for real property prescribed by a recognised professional body or relevant authority in the country where the real property is located

“property valuer”

a person who meets the following minimum requirements:

- (a) the property valuer must:
 - (i) for valuation to be conducted for real properties located in Singapore, be a holder of an appraiser’s licence issued by the Inland Revenue Authority of Singapore and a member of the Singapore Institute of Surveyors and Valuers; or
 - (ii) for valuation to be conducted for real properties located outside of Singapore, have a licence issued by a relevant authority to perform property valuation in the relevant market. If there is no licensing requirement in the relevant market, such property valuer must be a member of a recognised professional body which has disciplinary powers to suspend or expel the member;
- (b) the property valuer has at least five years of experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted;
- (c) the property valuer and his firm must be independent of the issuer. The property valuer, his associates and any of his firm’s partners or directors cannot be a substantial shareholder, director or employee of the issuer or any of the issuer’s subsidiaries. His firm must not be a related corporation or a substantial shareholder of the issuer or any of the issuer’s subsidiaries;
- (d) the property valuer must not be a sole practitioner; and
- (e) the property valuer must not have been found to be in breach of any rule or law relevant to real property valuation and is not:
 - (i) denied or disqualified from membership of or licensing from;
 - (ii) subject to any sanction imposed by;

- (iii) the subject of any disciplinary proceedings by; or
- (iv) the subject of any investigation which might lead to disciplinary action by,
any professional body or authority relevant to real property valuation

“summary property valuation report”

a summary of a property valuation report which is prepared in accordance with Rule 222(3)(c)

Chapter 2 Equity Securities

Part VI Additional Listing Requirements for Property Investment/Development Companies

222 Property Investment/Development Companies

In addition to the requirements for listing on the SGX Mainboard, a property investment/development company applying for admission to the Official List must also meet the following requirements:—

(2) ~~Independence Of~~Appointment of Property Valuer

An issuer must appoint a property valuer to conduct a valuation of all its principal freehold and leasehold properties. ~~The valuer must be an independent external valuer, unless otherwise approved by the Exchange. The valuer must not be a substantial shareholder, director or employee of the issuer or any of its subsidiaries, or in partnership with or employed by a substantial shareholder, director or employee.~~ The Exchange may require an issuer to appoint a second property valuer to conduct a valuation on the properties.

(3) Property Valuation Report

- (a) The property valuation report must state the effective date at which the properties are valued, which should not be more than six months from the date of the application for listing.
- (b) A summary property valuation report must be included in the offer document. The property valuation report must be made available for inspection, without charge, at the issuer's Singapore registered office.
- (c) A summary property valuation report must contain the following:
 - (i) information required for prospectuses and circulars in accordance with the standards of the Singapore Institute of Surveyors and Valuers, as set out in Practice Note 2.4; and
 - (ii) the name, professional qualifications and the relevant licence registration number of the property valuer in charge of the valuation, and the standards employed by the property valuer.

Part X Listing Procedures

246 The application must include:—

- (10) For an applicant which is engaged in property investment or development, the property valuation report(s) of each principal asset of the group that is revalued. In the case of a secondary listing, this requirement is not applicable.

Chapter 3 Debt Securities

Part V Listing Procedures for Debt Securities

- 314 The documents set out below must be submitted together with the applicable listing fee. Where the debt securities are issued by an issuer whose equity securities are listed on the Exchange, or where the debt securities are offered primarily to specified investors, the issuer need only submit the documents set out in Rule 314(5), (6), (7) and (8).
- (4) For an issuer which is engaged in property investment or development, property valuation report(s) of each principal asset of the group that is revalued.

Chapter 8 Changes in Capital

Part XI Procedures for Additional Listing Application (Primary Listing)

- 877 One copy of the following documents (where required) must be submitted as supporting documents:—
- (5) If a valuation was made on an asset being acquired, a copy of the relevant valuation report. If the asset being acquired is a real property, a copy of the relevant property valuation report.

Chapter 9 Interested Person Transactions

Part V Exceptions

- 916 The following transactions are not required to comply with Rule 906:—
- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by ~~independent~~ a valuation carried out by a property valuer.

Part IX Circular Requirements

- 921 Except in the case of a general mandate, if shareholder approval is required, the circular to shareholders must include:—
- (4)
- (a) an opinion in a separate letter from an independent financial adviser who is acceptable to the Exchange stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906):—
- (i) is on normal commercial terms, and
- (ii) is prejudicial to the interests of the issuer and its minority shareholders.
- (b) however, the opinion from an independent financial adviser is not required for the following transactions. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) must be disclosed:—
- (i) the issue of shares pursuant to Part IV of Chapter 8, or the issue of other securities of a class that is already listed, for cash.
- (ii) purchase or sale of any real property where:—
- the consideration for the purchase or sale is in cash;

- ~~an independent professional valuation~~ a property valuation report has been obtained for the purpose of the purchase or sale of such property; and
- the summary property valuation report of such property is disclosed in the circular.

Chapter 10 Significant Transactions

Part III Basis of Valuation

1003 In determining the basis of valuation of a transaction, the Exchange will apply the following rules:—

- (2) In any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards.

Chapter 12 Circulars, Annual Reports and Electronic Communications

Part III Annual Reports

1207 The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:—

Land and Buildings

(11) In respect of land and buildings, a breakdown of the value in terms of freehold and leasehold. Where properties have been revalued, to state the portion of the aggregate value of land and buildings that is based on valuation, and to state the valuation date. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards. Where the aggregate value for all properties for development, sale or for investment purposes held by the group represent more than 15% of the value of the consolidated net tangible assets, or contribute more than 15% of the consolidated pre-tax operating profit, the issuer must disclose the following information as a note to the accounts:—

- (a) In the case of property held for development and/or sale:—
- (i) a brief description and the location of the property;
 - (ii) if in the course of construction, the stage of completion as at the date of the annual report and the expected completion date;
 - (iii) the existing use (e.g. shops, offices, factories, residential, etc);
 - (iv) the site and gross floor area of the property; and
 - (v) the percentage interest in the property.
- (b) In the case of property held for investment:—
- (i) a brief description and the location of the property;
 - (ii) the existing use (e.g. shops, offices, factories, residential, etc); and

- (iii) whether the property is leasehold or freehold. If leasehold, state the unexpired term of the lease.

Provided that if, in the opinion of the directors of the issuer, the number of such properties is such that compliance with this rule would result in particulars of excessive length being given, compliance is required only for properties, which in the opinion of the directors, are material.

Appendix 7.1 Corporate Disclosure Policy

Part II Issuers' Obligations Under Rule 703

8 Some Events Requiring Disclosure Under Rule 703

Under Rule 703, the following events, while not comprising a complete list of all the situations which may require disclosure, are likely to require immediate disclosure:—

- (q) A valuation of the real assets of the group that has a significant impact on the group's financial position and/or performance. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards. A copy of the valuation report, or for real property, a copy of the property valuation report, must be made available for inspection at the issuer's registered office during normal business hours for 3 months from the date of the announcement;

Practice Note 2.1A Independence of Issue Managers

2.1 The Exchange will not normally consider an issue manager to be independent of an applicant if any of the following circumstances exist from the date of submission of the listing application up to the date of listing:—

- (ii) the aggregate amount of:—
 - (a) outstanding loans and/or available committed credit facilities extended by the issue manager group to the applicant and/or its subsidiaries; and
 - (b) guarantees given by the issue manager group on behalf of the applicant and/or its subsidiaries,

exceed 30% of:

- (A) the applicant's latest audited total assets or latest unaudited pro forma total assets (if applicable) prior to the submission of the application;
- (B) in the case of an applicant engaged principally in property investment and/or development, the latest valuation of the assets of the applicant and its subsidiaries as referred to in Listing Rule 222(2); or

Practice Note 2.4 Summary Property Valuation Report

Rule 222(3)(c) requires a summary property valuation report to contain the information required for prospectuses and circulars in accordance with the standards of the Singapore Institute of Surveyors and Valuers. The information required for prospectuses and circulars is set out in a Practice Guide published by the Singapore Institute of Surveyors and Valuers.

Please click here to view the Practice Guide.

AMENDMENTS TO CATALIST RULES ON PROPERTY VALUATION

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

“associate”

- (a) in relation to any individual, including a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

“property valuation report”

a report that meets the following minimum requirements:

- (a) is prepared by a property valuer in accordance with the property valuation standards; and
- (b) states the name, professional qualifications and the relevant licence registration number of the property valuer in charge of the valuation, and the standards employed by the property valuer

“property valuation standards”

- (a) for real properties located in Singapore, the standards set by the Singapore Institute of Surveyors and Valuers; or
- (b) for real properties located outside of Singapore, the International Valuation Standards or the relevant local standards for real property prescribed by a recognised professional body or relevant authority in the country where the real property is located

“property valuer”

a person who meets the following minimum requirements:

- (a) the property valuer must:
 - (i) for valuation to be conducted for real properties located in Singapore, be a holder of an appraiser’s licence issued by the Inland Revenue Authority of Singapore and a member of the Singapore Institute of Surveyors and Valuers; or
 - (ii) for valuation to be conducted for real properties located outside of Singapore, have a licence issued by a relevant authority to perform property valuation in the relevant market. If there is no licensing requirement in the relevant market, such property valuer must be a member of a recognised professional body which has disciplinary powers to

suspend or expel the member;

- (b) the property valuer has at least five years of experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted;
- (c) the property valuer and his firm must be independent of the issuer. The property valuer, his associates and any of his firm's partners or directors cannot be a substantial shareholder, director or employee of the issuer or any of the issuer's subsidiaries. His firm must not be a related corporation or a substantial shareholder of the issuer or any of the issuer's subsidiaries;
- (d) the property valuer must not be a sole practitioner; and
- (e) the property valuer must not have been found to be in breach of any rule or law relevant to real property valuation and is not:
 - (i) denied or disqualified from membership of or licensing from;
 - (ii) subject to any sanction imposed by;
 - (iii) the subject of any disciplinary proceedings by; or
 - (iv) the subject of any investigation which might lead to disciplinary action by,any professional body or authority relevant to real property valuation

"summary property valuation report"

a summary of a property valuation report which is prepared in accordance with Rule 416(3)(c)

Chapter 4 Equity Securities

Part VII Additional Listing Requirements for Property Development Companies

416 In addition to the requirements for listing on Catalist, a property development company applying for admission to the Official List must also meet the following requirements:

(2) ~~Independence Of~~Appointment of Property Valuer

A listing applicant must appoint a property valuer to conduct a valuation of all its principal freehold and leasehold properties. ~~The valuer must be an independent external valuer. The valuer must not be a substantial shareholder, director or employee of the listing applicant or any of its subsidiaries, or in partnership with or employed by a substantial shareholder, director or employee.~~ The Exchange or the sponsor may require a listing applicant to appoint a second property valuer to conduct a valuation on the properties.

(3) Property Valuation Report

- (a) The property valuation report must state the effective date at which the properties are valued, which should not be more than six months from the date of submission of the pre-admission notification.
- (b) A summary property valuation report must be included in the offer document. The property valuation report must be made available for inspection, without charge, at the issuer's Singapore registered office.
- (c) A summary property valuation report must contain the following:

- (i) information required for prospectuses and circulars in accordance with the standards of the Singapore Institute of Surveyors and Valuers, as set out in Practice Note 4E; and
- (ii) the name, professional qualifications and the relevant licence registration number of the property valuer in charge of the valuation, and the standards employed by the property valuer.

Chapter 9 Interested Person Transactions

Part V Exceptions

916 The following transactions are not required to comply with Rule 906:

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by ~~independent~~ a valuation carried out by a property valuer.

Part IX Circular Requirements

921 Except in the case of a general mandate, if shareholder approval is required, the circular to shareholders must include:

- (4)
 - (a) An opinion in a separate letter from an independent financial adviser stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906):
 - (i) is on normal commercial terms, and
 - (ii) is prejudicial to the interests of the issuer and its minority shareholders.
 - (b) However, the opinion from an independent financial adviser is not required for the following transactions. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) must be disclosed:
 - (i) The issue of shares pursuant to Part IV of Chapter 8, or the issue of other securities of a class that is already listed, for cash.
 - (ii) Purchase or sale of any real property where:
 - the consideration for the purchase or sale is in cash;
 - ~~an independent professional valuation~~ a property valuation report has been obtained for the purpose of the purchase or sale of such property; and
 - the summary property valuation report of such property is disclosed in the circular.

Chapter 10 Significant Transactions

Part III Basis of Valuation

1003 In determining the basis of valuation of a transaction, the following rules apply:

- (2) In any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards.

Chapter 12 Circulars, Annual Reports and Electronic Communications

Part III Annual Reports

1204 The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:

Land and Buildings

(11) In respect of land and buildings, a breakdown of the value in terms of freehold and leasehold. Where properties have been revalued, to state the portion of the aggregate value of land and buildings that is based on valuation, and to state the valuation date. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards. Where the aggregate value for all properties for development, sale or for investment purposes held by the group represent more than 15% of the value of the consolidated net tangible assets, or contribute more than 15% of the consolidated pre-tax operating profit, the issuer must disclose the following information as a note to the financial statements:

- (a) In the case of property held for development and/or sale:
 - (i) a brief description and the location of the property;
 - (ii) if in the course of construction, the stage of completion as at the date of the annual report and the expected completion date;
 - (iii) the existing use (e.g. shops, offices, factories, residential, etc);
 - (iv) the site and gross floor area of the property; and
 - (v) the percentage interest in the property.
- (b) In the case of property held for investment:
 - (i) a brief description and the location of the property;
 - (ii) the existing use (e.g. shops, offices, factories, residential, etc); and
 - (iii) whether the property is leasehold or freehold. If leasehold, state the unexpired term of the lease.

Provided that if, in the opinion of the directors of the issuer, the number of such properties is such that compliance with this rule would result in particulars of excessive length being given, compliance is required only for properties, which in the opinion of the directors, are material.

Appendix 7A Corporate Disclosure Policy

Part II Issuers' Obligations Under Rule 703

Some events requiring disclosure under Rule 703

9. Under Rule 703, the following events, while not comprising a complete list of all the situations which may require disclosure, are likely to require immediate disclosure:—

- (q) a valuation of the real assets of the group that has a significant impact on the group's financial position and/or performance. The valuation of real property must be carried out by a property valuer in accordance with the property valuation standards. A copy of the valuation report, or for real property, a copy of the property valuation report, must be made available for inspection at the issuer's registered office during normal business hours for 3 months from the date of the announcement;

Practice Note 4E Summary Property Valuation Report

Rule 416(3)(c) requires a summary property valuation report to contain the information required for prospectuses and circulars in accordance with the standards of the Singapore Institute of Surveyors and Valuers. The information required for prospectuses and circulars is set out in a Practice Guide published by the Singapore Institute of Surveyors and Valuers.

Please click here to view the Practice Guide.

AMENDMENTS TO MAINBOARD RULES ON APPOINTMENT OF AUDITORS

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

"Accountants Act"

the Accountants Act (Chapter 2) of Singapore and any statutory modification or re-enactment thereof

Chapter 2 Equity Securities

Part III SGX Mainboard Listings

211A Accounting and Auditing Standards

- (1) For primary listings, the financial statements submitted with the application, and future periodic financial reports, must be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I)s. In the case of a collective investment scheme that is authorised by MAS, it must comply with the applicable requirements under the Code on Collective Investment Schemes.
- (2) For secondary listings, the financial statements submitted with the listing application, and future periodic financial reports, need only be reconciled to SFRS(I)s, or IFRS, or US GAAP.
- (3) The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

Part V Listing Requirements for Foreign Issuers

~~Accounting and Auditing Standards~~

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- ~~(1) For primary listings, the financial statements submitted with the application, and future periodic financial reports, must be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standard ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I)s. In the case of a collective investment scheme that is authorised by MAS, it must comply with the applicable requirements under the Code on Collective Investment Schemes.~~[Deleted]
- ~~(2) For secondary listings, the financial statements submitted with the listing application, and future periodic financial reports, need only be reconciled to SFRS(I)s, or IFRS, or US GAAP.~~[Deleted]
- ~~(3) The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.~~[Deleted]

Part X Listing Procedures

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- (14) Confirmation by the Board of Directors and the issue manager of the applicant that, in relation to the appointment of auditing firms, the applicant is in compliance with Rule 712 and Rule 715 or 716. Unless otherwise determined by the Exchange, Rule 712(2A) does not apply to secondary listings.

Chapter 3 Debt Securities

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In respect of debt securities where Rule 308 applies:

- (1) if the issuer or, where there are guarantors, any of the guarantors, has its equity securities listed on the Exchange (referred to in this Rule as an "equity issuer"):
- (a) subject to paragraph (b) below, the issuer shall announce via SGXNET the issuer's and the guarantor's consolidated profit and loss account and balance sheet in accordance with the timelines prescribed in Rule 705(2), Rule 705(3), Rule 707(1) and Rule 1207, prepared in accordance with Rule ~~220211A~~; and
- (b) the issuer need not announce the consolidated profit and loss account and balance sheet of an entity that is not an equity issuer (referred to in this Rule as a "non-equity issuer") if all of the following conditions are met:
- ...
- (iv) the profit and loss accounts and balance sheets of the equity issuer and that non-equity issuer are consolidated in accordance with Rule ~~220211A~~;
- (v) the issuer announces via SGXNET the consolidated profit and loss account and balance sheet of the equity issuer in accordance with the timelines prescribed in Rule 705(3), Rule 707(1) and Rule 1207, prepared in accordance with Rule ~~220211A~~; and
- ...

Chapter 4 Investment Funds

Part II Listing Requirements for Investment Funds

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- (9)
- (a) An ETF is not required to comply with the following rules:—
- (xii) Rules 711 to 711B and Rule 712(2A);

Chapter 7 Continuing Obligations

Part II Equity Securities – Immediate Announcements

Announcement of Specific Information

704 In addition to Rule 703, an issuer must immediately announce the following:—

Appointment of Special Auditors or Additional Auditors

- (14) ~~The Exchange may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the Exchange or the issuer's Audit Committee or such other party as~~

~~the Exchange may direct. The issuer may be required by the Exchange to immediately announce the requirement, together with such other information as the Exchange directs. Any appointment of a special auditor or an additional auditor. The issuer may be required by the Exchange to announce the findings of the special auditors or the additional auditors.~~

Financial Statements

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(3)

(b) An issuer that is not required to comply with Rule 705(2) ~~may~~must either:

- (i) announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2); or
- (ii) announce its first half financial statements (as set out in Appendix 7.2),

in each case immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.

(3A) An issuer that prepares its financial statements under Rule 705 in accordance with Appendix 7.2 must also prepare such financial statements in accordance with the relevant accounting standards for interim financial reports under Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP").

709A

The annual financial statements must be: —

- (a) prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"); and
- (b) audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

Part III Equity Securities – Periodic Reports

Appointment of Auditors

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- (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit ~~engagement partner~~partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.
- (2) The auditing firm appointed by the issuer must be:—

- (a) ~~Registered with the Accounting and Corporate Regulatory Authority (“ACRA”)~~Approved under the Accountants Act. The audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act;
 - (b) ~~Approved by, R~~Registered with and/or regulated by an independent audit oversight body acceptable to the Exchange. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies. Where applicable, the audit partner-in-charge assigned to the audit should be approved by, registered with or regulated by a relevant audit oversight body acceptable to the Exchange; or
 - (c) Any other auditing firm acceptable by the Exchange.
- (2A) An issuer that appoints an auditing firm that meets the requirements in Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements.
- (3) A change in auditing firm or the proposed appointment of an additional auditing firm to meet requirements in Rule 712(2A) must be specifically approved by shareholders in a general meeting.

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~~The Exchange may object to the appointment of an auditor or may require an issuer to replace its auditor if the Exchange is of the opinion that it is in the interest of shareholders to do so or that the new auditor does not satisfy the requirement in Rule 712. This rule does not apply to a financial institution licensed or approved by the Monetary Authority of Singapore.~~[Deleted]

Chapter 12 Circulars, Annual Reports and Electronic Communications

Part II Circulars

- 1203 An issuer must submit to the Exchange for review, one draft copy of a notice of meeting if it contains a resolution relating to:—
- (5) the proposed change of auditors or the proposed appointment of an additional auditing firm to meet requirements in Rule 712(2A). The notice should incorporate, where applicable:—
 - (a) Confirmation from the outgoing auditors whether or not they are aware of any professional reasons why the new auditors should not accept appointment as auditors of the issuer. If so, to provide details;
 - (b) Confirmation from the issuer whether or not there were disagreements with the outgoing auditors on accounting treatments within the last 12 months. If so, to provide details;
 - (c) Confirmation from the issuer whether or not it is aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the issuer; ~~and~~
 - (d) Specific reasons for the change of auditors, including ~~but not limited to,~~ whether the outgoing auditors resigned, declined to stand for election ~~or~~, were dismissed ~~or directed by the Exchange to be replaced under Rule 1405(1)(fb);~~
 - (e) Confirmation from the issuer that it complies with Rule 712, and Rule 715 or 716 in relation to the appointment of the new auditing firm; and
 - (f) Explanation that the appointment of an additional auditing firm is to meet the Exchange’s requirements in Rule 712(2A).

Part III Annual Reports

1207

The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:—

- (5)
- (d) A statement whether or not the financial statements are prepared in accordance with the prescribed accounting standards and audited in accordance with the prescribed auditing standards, each as prescribed under Rule 709A; and

Chapter 14 Disciplinary and Appeals Procedures, and Enforcement Powers of the Exchange

Part III Administrative and Enforcement Powers of the Exchange

1405

- (1) The Exchange may exercise administrative powers for the purposes of ensuring that the market is fair, orderly and transparent, and that the Exchange does not act contrary to the interests of the investing public, including the powers to:
 - (f) require an issuer to appoint special auditors, additional auditors, compliance advisers, legal advisers or other independent professionals for specified purposes;
 - (fa) require the special auditors' or additional auditors' findings to be reported to the Exchange, the issuer's Audit Committee or such other party as the Exchange may direct;
 - (fb) object to the appointment of an auditor or require an issuer to replace the auditor if the Exchange is of the opinion that it is in the interest of shareholders to do so or that the new auditor does not satisfy the requirement in Rule 712. This rule does not apply to a financial institution licensed or approved by the Monetary Authority of Singapore;

Transitional Practice Note 2 Transitional Arrangements Regarding Accounting Standards

1. Introduction

1.4 Rule 220 has been replaced by Rule 211A with effect from 12 February 2021.

AMENDMENTS TO CATALIST RULES ON APPOINTMENT OF AUDITORS

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

"Accountants Act"

the Accountants Act (Chapter 2) of Singapore and any statutory modification or re-enactment thereof

Chapter 3 Disciplinary and Appeals Procedures, and Enforcement Powers of the Exchange

Part III Administrative and Enforcement Powers of the Exchange

305

- (1) The Exchange may exercise administrative powers for the purposes of ensuring that the market is fair, orderly and transparent, and that the Exchange does not act contrary to the interests of the investing public, including the powers to:
 - (e) require an issuer to appoint special auditors, additional auditors, compliance advisers, legal advisers or other independent professionals for specified purposes;
 - (ea) require the special auditors' or additional auditors' findings to be reported to the Exchange, the issuer's Audit Committee or such other party as the Exchange may direct;
 - (eb) object to the appointment of an auditor or require an issuer to replace the auditor if the Exchange is of the opinion that it is in the interest of shareholders to do so or that the new auditor does not satisfy the requirement in Rule 712. This rule does not apply to a financial institution licensed or approved by the Monetary Authority of Singapore;

Chapter 4 Equity Securities

Part III Catalist Admissions

406A Accounting and Auditing Standards

- (1) The financial statements and future periodic financial reports must be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I)s.
- (2) The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

Part VI Listing Requirements for Foreign Listing Applicants

~~Accounting and Auditing Standards~~

415

- (1) ~~The financial statements and future periodic financial reports must be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I)s.~~ [Deleted]

- (2) ~~The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.~~[Deleted]

Chapter 7 Continuing Obligations

Part II Equity Securities — Immediate Announcements

Announcement of Specific Information

704 In addition to Rule 703, an issuer must immediately announce the following:

Appointment of Special Auditors or Additional Auditors

- (13) ~~The Exchange may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the Exchange, or the issuer's sponsor, or the issuer's Audit Committee or such other party as the Exchange may direct. The issuer may be required by the Exchange to immediately announce the requirement, together with such other information as the Exchange directs. Any appointment of a special auditor or an additional auditor. The issuer may be required by the Exchange to announce the findings of the special auditors or the additional auditors.~~

Financial Statements

705

(3)

(b) An issuer that is not required to comply with Rule 705(2) ~~may~~must either:

- (i) announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C); or
- (ii) announce its first half financial statements (as set out in Appendix 7C),

in each case immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.

- (3A) An issuer that prepares its financial statements under Rule 705 in accordance with Appendix 7C must also prepare such financial statements in accordance with the relevant accounting standards for interim financial reports under Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP").

709A

The annual financial statements must be: —

- (a) prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"); and
- (b) audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

Part III Equity Securities – Periodic Reports

Appointment of Auditors

712

- (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit ~~engagement partner~~partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.
- (2) The auditing firm appointed by the issuer must be:
 - (a) ~~Registered with the Accounting and Corporate Regulatory Authority ("ACRA")~~Approved under the Accountants Act. The audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act;
 - (b) ~~Approved by, R~~Registered with and/or regulated by an independent audit oversight body acceptable to the Exchange. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies. Where applicable, the audit partner-in-charge assigned to the audit should be approved by, registered with or regulated by a relevant audit oversight body acceptable to the Exchange; or
 - (c) Any other auditing firm acceptable by the Exchange.
- (2A) An issuer that appoints an auditing firm that meets the requirements in Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements.
- (3) A change in auditing firm or the proposed appointment of an additional auditing firm to meet requirements in Rule 712(2A) must be specifically approved by shareholders in a general meeting. The notice of meeting must incorporate, where applicable:
 - (a) confirmation from the outgoing auditors as to whether they are aware of any professional reasons why the new auditors should not accept appointment as auditors of the issuer, and if so, to provide reasons;
 - (b) confirmation from the issuer as to whether there were disagreements with the outgoing auditors on accounting treatments within the last 12 months, and if so, to provide details;
 - (c) confirmation from the issuer as to whether it is aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the issuer;
 - (d) specific reasons for the change of auditors, including whether the outgoing auditors resigned, declined to stand for election ~~or~~were dismissed or directed by the Exchange to be replaced under Rule 305(1)(eb); and
 - (e) confirmation from the issuer that it complies with Rule 712 and Rule 715 or 716 in relation to the appointment of the new auditing firm; and
 - (f) explanation that the appointment of an additional auditing firm is to meet the Exchange's requirements in Rule 712(2A).

~~The Exchange may object to the appointment of an auditor or may require an issuer to replace its auditor if the Exchange is of the opinion that it is in the interest of shareholders to do so or that the new auditor does not satisfy the requirement in Rule 712. This rule does not apply to a financial institution licensed or approved by the Authority.~~ [Deleted]

Chapter 12 Circulars, Annual Reports and Electronic Communications

Part III Annual Reports

1204

The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:—

(5)

- (d) A statement whether or not the financial statements are prepared in accordance with the prescribed accounting standards and audited in accordance with the prescribed auditing standards, each as prescribed under Rule 709A.

Transitional Practice Note 1 Transitional Arrangements Regarding Accounting Standards

1. Introduction

1.4 Rule 415 has been replaced by Rule 406A with effect from 12 February 2021.