

SGX RegCo Issues Its Response on Its Proposals for a More Disclosure-Based Regime

With effect as of 29 October 2025, Singapore Exchange Regulation (**SGX RegCo**) put into place measures following comments received to its consultation paper on “A Shift to a More Disclosure-Based Regime” (issued on 15 May 2025) (**Response**). In the Response, the SGX RegCo implemented changes to facilitate listings on the SGX. The key changes are summarised below:

	PREVIOUS POSITION	NEW POSITION	IMPLICATION
Listing requirement			
Profit test requiring issuer to have a minimum pre-tax profit for the latest financial year and an operating track record of at least three years	SGD30 million pre-tax profit.	SGD10m pre-tax profit for the last financial year.	Aligns the profit test with other major stock exchanges.
Issuer's financial position	Issuer had to ensure that all debts owing to the group by its directors, substantial shareholders, and companies controlled by the directors and substantial shareholders must be settled prior to listing.	Outstanding debts owed by the interested persons have to be disclosed in the prospectus but do not have to be repaid prior to listing.	Expedites the time to listing as these loans due from interested persons will not have to be unwound prior to listing.
Submitted audited financial statement	The Listing Rules do not specify that the statement submitted by an issuer as part of its listing application must be unmodified.	SGX RegCo has made clear that the audited financial statements must not be subject to an adverse opinion, a qualified opinion or a disclaimer of opinion by the auditors, or include a statement by the auditors that a material uncertainty relating to going concern exists.	The requirement for audited financial statements not to be subject to adverse opinion or a qualified opinion will lengthen the listing process. This is the current expectation already.
Conflict of interests between the issuer and an interested person	Issuer had to resolve or mitigate conflict of interest situations with their interested persons prior to listing.	If the issuer, being a company, does not resolve or mitigate the conflicts with its interested persons, the prospectus must contain disclosure of the conflict and explain the reason why the conflict has not been resolved. REITs and BTs must continue to resolve or mitigate conflicts of interest before listing.	Expedites the listing process as conflict of interests situations do not have to be resolved prior to listing.
Issuer's internal control weaknesses	Issuer had to confirm it has no internal control weaknesses prior to submission to SGX.	Any material internal control weaknesses have to be adequately in the prospectus, with the proposed steps to address them. The board and audit committee have to ensure that the relevant functions responsible for internal controls are competent and adequately resourced and that all key personnel have relevant qualifications.	Expedites the time to listing since issuers will not be required to resolve all material internal control weaknesses prior to listing.
REITs with short-term leases (leases of less than 30 years)	REITs were subject to a restriction that its shorter-term leases cannot account for more than 50% of its operating profits for the past three years.	Where shorter-term leases account for more than 50% of the issuer group's operating profits or net property income, whichever is higher, for the past three years, the issuer must disclose the risks and implications of such a portfolio, and any plans to manage its portfolio properties' lease profiles post-listing.	This allows the potential for REITs with a higher proportion of shorter-term leases, eg, REITs comprising for a portfolio of strata units.

	PREVIOUS POSITION	NEW POSITION	IMPLICATION
Requirements for life science companies	Required an operating track record of three years. Patents and patent applications had to be submitted to SGX.	Requirement of an operating track record has been reduced to two (2) years. The issuer has to be primarily engaged in laboratory R&D for at least one (1) year and the successful development of at least one (1) identified product beyond concept stage. Patents and patent applications no longer have to be submitted to the SGX but details and progress have to be disclosed in the Prospectus. An issuer may withhold disclosure of sensitive confidential information and disclose the reasons for such non-disclosure.	Seeks to facilitate the listing of early stage life science companies on SGX-ST.
Standards of annual financial statements	Only Singapore Standards on Auditing, International Standards on Auditing, and US Generally Accepted Auditing Standards were permitted.	Public Company Accounting Oversight Board (United States) is also permitted.	This change would primarily be beneficial for companies already listed in the U.S. and seeking a dual listing on SGX.
Listing by introduction	The prior practice was that an offer of securities was not permitted three months after listing except offers to institutional and accredited investors.	The existing practice is now codified in the Mainboard Rules.	-
Post-listing queries			
Financial watch-list	An issuer was be placed on a financial watch-list under certain specified circumstances.	SGX RegCo will remove the financial watch-list.	Removes the effect of further depressing the share price of such issuers.
Public queries	SGX RegCo had a practice of issuing public queries on issuers' continuous disclosures, regardless of materiality. SGX RegCo had a practice of issuing public trading queries where it detects unusual trading that is not explained by publicly available information.	SGX RegCo will engage issuers privately on continuous disclosures unless the information is deemed materially price-sensitive or trade-sensitive.	More targeted approach in respect of querying issuers.
Trade-with-caution alerts	Previously such alerts did not have explicit validity period.	The validity of the initial trade-with-caution alert will be limited to two weeks.	More targeted approach in respect of issuing such alerts.
Suspension of trading	Issuer's listed securities may be suspended if its state of affairs is unclear or its ability to continue as a going concern is in doubt.	SGX RegCo will only require suspension of trading when evidence of going concern issues is clear. Such evidence includes (a) the commencement of formal insolvency or restructuring proceedings; and (b) the board being unable or unwilling to confirm as well as state the basis for the issuer's ability to continue as a going concern.	Aims to reduce unnecessary market disruptions.

Should you have any questions regarding the matters discussed in this update, please reach out to either Kenny Kwan or Caryn Ng.

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