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# Reply to Parliamentary Question on improving disclosure obligations and corporate governance transparency for Singapore companies

QUESTION NO 483

NOTICE PAPER 209 OF 2020

FOR WRITTEN ANSWER

**Date: For Parliament Sitting on 4 January 2021**

Name and Constituency of Member of Parliament

**Mr Dennis Tan Lip Fong, MP, Hougang SMC**

Question:

**To ask the Prime Minister in light of the report by the Securities Investors Association Singapore and the Centre of Governance, Institution and Organisations at the National University of Singapore Business School, that Singapore companies are less transparent on corporate governance issues as compared to Malaysia and Thailand, what steps will be taken to improve disclosure obligations and transparency in corporate governance for Singapore companies.**

Answer by Mr Tharman Shanmugaratnam, Senior Minister and Minister in charge of MAS:

1. Singapore has generally fared well in studies of corporate governance. For instance, the Asian Corporate Governance Association in collaboration with CLSA Ltd. publishes a widely-followed corporate governance ranking covering 12 markets in the Asia-Pacific, including Hong Kong, Australia, and Japan. In the last two rounds of assessment in 2016 and 2018, Singapore has ranked among the top three.

2. The recent study by the Securities Investors Association Singapore (SIAS), the NUS Business School's Centre for Governance, Institutions and Organisations (CGIO) and the ASEAN CSR Network (ACN) is a good initiative, but with quite a narrow scope. It focuses on disclosure practices relating to the anti-corruption policy and strategy, of the fifty largest companies listed on five ASEAN exchanges. The report found that SGX-listed companies performed less well in disclosing matters such as their policies on political contributions and whether their anti-corruption policies extended to their agents or representatives. These are relevant issues in all markets, but I'm sure members would recognise that they are more salient in some markets than others.
3. MAS and SGX RegCo take all aspects of corporate governance seriously, and are taking a number of initiatives in these specific areas too.
4. First, SGX RegCo recommends that companies disclose their anti-corruption policy and safeguards on their websites so that the information is easily accessible to all stakeholders.
5. Second, SGX RegCo has proposed to require listed companies to disclose whether and how they have complied with best practices on whistleblowing, such as the procedures for a whistleblower to make a report and protection from reprisal. The proposal had undergone consultation. SGX RegCo is reviewing the feedback received, and will be announcing the outcome of its consultation in the coming months.
6. Third, and more broadly, the Corporate Governance Advisory Council (CGAC) will be conducting a survey of listed companies' compliance with the Singapore Code of Corporate Governance as well as the quality of corporate governance related disclosures. The findings of the survey will be used to improve listed companies' corporate governance practices and disclosures.
7. Overall, our standards of corporate governance are relatively good and well-regarded, but where there are specific gaps, MAS and SGX RegCo will address them.

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