

MEDIA RELEASE

GOVERNANCE IN CORPORATE REPORTING - SETTING THE TONE FOR 2015

- *ACRA, SGX and SID joint seminar focuses on company directors in their role as audit committee members*

Singapore, 7 January 2015 – Company directors in their capacity as audit committee members, are meeting with the regulators this morning to discuss the latest developments in the corporate regulatory landscape and the challenges that lie ahead for 2015. Over 150 audit committee members from listed companies are attending a joint seminar organised for the first time, by the Accounting and Corporate Regulatory Authority of Singapore (ACRA), the Singapore Exchange (SGX) and the Singapore Institute of Directors (SID).

2 This year, ACRA, SGX and SID as the regulators and the national association of company directors respectively, are jointly focusing efforts on engaging audit committees. In their unique position of overseeing both the company management and auditors, audit committees play a crucial role in ensuring the integrity and quality of corporate reporting.

3. The seminar saw ACRA disclose its initial observations on financial reporting deficiencies from its Financial Reporting Surveillance Programme (FRSP). The scope of ACRA's FRSP was expanded last year to include financial statements of listed companies with clean audit reports. Company directors had the opportunity to clarify their duties in relation to financial reporting and the review process. SGX shared with the company directors on practical issues concerning listed companies in Singapore and the recommended best practices for resolving them. Audit Committees were also briefed on the recommended practices set out in the recently issued 2nd Edition of the Guidebook for Audit Committees in Singapore¹, including working with auditors and overseeing the financial reporting process.

4. In his keynote address, Mr Magnus Böcker, CEO of SGX said, "The trust of all stakeholders and not just shareholders, will be far more important for companies in

¹ The 2nd Edition of the Guidebook for Audit Committees in Singapore is available at the following link:
<https://www.acra.gov.sg/training-and-resources/useful-resources/guidebook-for-audit-committees-in-singapore-second-edition-2014>

the future. Singapore companies, supported by their Audit Committees, have done well in this respect with their high governance standards. But we need to do more, especially in terms of sustainability and diversity. I look forward to Audit Committees' support in these areas.”

5. In his welcome speech, ACRA's Chief Executive, Mr Kenneth Yap noted ground concerns that compliance requirements are time-consuming and costly and highlighted that the regulators would continue to ensure surveillance and enforcement is targeted and focused on key risk areas. He said that “some measure of preventive medicine and tough love is necessary to ensure financial stability and market protection”. He added that “[w]here we may differ is the right balance between reducing risk and encouraging growth. I hope this seminar can serve as a platform where regulators can share our observations and constraints, while taking feedback on how regulation can be optimised and improved”.

6. SID's Chairman, Mr Willie Cheng said “Among the board committees, the Audit Committee is perceived to be the most demanding. Recent new standards, changing rules and added scrutiny make it more so. This seminar has been useful to educate and share on the changes and challenges that members of Audit Committees need to face in an increasingly complex new world of financial reporting and disclosure.”

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities and public accountants in Singapore. ACRA also plays the role of a facilitator for the development of business entities and the public accountancy profession.

The mission of ACRA is to provide a responsive and trusted regulatory environment for businesses and public accountants. As at 31 December 2014, there are 463,738 business entities and 1032 public accountants registered with ACRA.

For more information, please visit www.acra.gov.sg

About Singapore Exchange (SGX)

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most international exchange with more than 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world's biggest offshore market for Asian equity futures, centred on Asia's three largest economies – China, India and Japan.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a leading Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

About Singapore Institute of Directors

The Singapore Institute of Directors (SID) is the national association of company directors. SID promotes the professional development of directors and corporate leaders. It works closely with the authorities and regulators, its network of members and professionals, such as accountants and lawyers, to identify ways to uphold and enhance the highest standards of corporate governance and ethical conduct.

Formed in 1998, membership of SID comprises mainly directors of Singapore publicly listed and other companies, lawyers, accountants, academics and other professionals involved in the field of corporate governance. The affairs of SID are managed by a Governing Council, comprising members elected from the general membership. The Governing Council is headed by a Chairman and supported by a Secretariat.

Through its training programmes, SID aims to increase the pool of individuals who are suitable to serve as directors (executive as well as independent directors) in listed companies. Members have access to a range of resource material on corporate governance

published by SID. In addition to individual membership, SID has also introduced corporate membership with a view to support and improve corporate governance practice in corporate Singapore, to become a one-stop corporate governance resource base for the corporate community and to provide board director introduction service.

For more information, please visit: www.sid.org.sg