



**SINGAPORE EXCHANGE LIMITED**

**PUBLIC CONSULTATION**

**PURSUANT TO SECTION 23(2) OF THE SECURITIES AND FUTURES ACT AND REGULATION 19(2) OF THE SECURITIES AND FUTURES (MARKETS) REGULATIONS 2005\*, THE EXCHANGE HEREBY CONSULTS ITS PARTICIPANTS ON THE PROPOSED LISTING RULES.**

**GLOBAL DEPOSITORY RECEIPTS**

DATE ISSUED: 2 December 2005

DEADLINE: 29 December 2005

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## 1. PROCEDURE AND DEADLINE TO SUBMIT COMMENTS

- 1.1 Written submissions are to be sent to the Exchange through email, by post/courier or by fax:

Email: *lm@sgx.com*

Post/Courier: Singapore Exchange Limited  
2 Shenton Way, SGX Centre 1  
#19-00,  
Singapore 068804

Attn: Leona Wong  
Issuer Regulation

Fax: 6535 7919

- 1.2 Supporting material may be placed in an annex. All submissions should be clearly and concisely written, and should provide a reasoned explanation for any proposed revision to the rules. Where feasible, participants should identify the specific rule on which they are commenting. In any case in which a participant chooses to suggest revisions to the text of the rules, the participant should state clearly the specific changes to the text that they are proposing.
- 1.3 All submissions should be made on or before **29 December 2005**. Submissions must be submitted in both hard and soft copies (in Microsoft Word format) and font size should be no smaller than Times New Roman 11pt. Participants submitting comments should include their personal/company particulars as well as their correspondence address, contact numbers and email addresses on the cover page of their submissions. This will facilitate contacting participants for further clarifications.
- 1.4 The Exchange reserves the right to make public all or parts of any written submission and to disclose the identity of the source. Participants may request confidential treatment for any part of the submission that the participant believes to be proprietary, confidential or commercially sensitive. Any such information should be clearly marked and placed in a separate annex. If the Exchange grants confidential treatment, it will consider but will not publicly disclose the information. If the Exchange rejects the request for confidential treatment, it will return the information to the party that submitted it and will not consider the information as part of its review. As far as possible, participants should limit any request for confidential treatment of information submitted. The Exchange will not accept any submission that requests confidential treatment of all, or a substantial part, of the submission.

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## **2. INTRODUCTION**

- 2.1 The Singapore Exchange Ltd (“SGX”) proposes to introduce a platform for the listing of Global Depository Receipts (“GDRs”). These receipts represent equity securities of corporations that are already listed on another stock exchange. Such corporations will be subject to the listing rules of the exchange where they have a primary listing. GDRs are for accredited or institutional investors and will be traded in lot size of at least S\$200,000 in value (or its equivalent in foreign currencies). Offers of GDRs are made by way of an offering memorandum, introductory document or listing document without the need for a prospectus under Section 240 the Securities and Futures Act. GDRs provide foreign companies with another avenue to access the Singapore capital market and opportunities to broaden their shareholder base.
- 2.2 The proposed GDRs listing rules are subject to the approval of the Monetary Authority of Singapore (“MAS”).

## **3. SCOPE OF THE CONSULTATION PAPER**

- 3.1 This paper sets out the proposed rules for the listing of GDRs and continuing listing obligations that are applicable to the corporations that authorise the issue of GDRs. The practice notes prescribe the documents to be submitted in connection with such listings. The Exchange invites comments on the proposed rules and will take them into account when finalizing the rules.

## **4. EXTRACT OF THE PROPOSALS**

- 4.1 For an issuer to be eligible to list GDRs on SGX, the corporation’s underlying equity securities must be listed, or will be concurrently listing, on an exchange.
- 4.2 The corporation will abide by the rules of its primary exchange.
- 4.3 The corporation can continue to prepare its financial statements in accordance with the accounting standards of its home market
- 4.4 The GDRs must be placed only with institutions and accredited investors.
- 4.5 A reputable depository must be appointed in conjunction with the GDR listing.
- 4.6 The listing documents must contain information that accredited and institutional investors as well as their professional advisors would customarily expect to see in such documents taking into account market practice in global markets.

## **5. LISTING RULES ON GDRs**

- 5.1 The requirements for the listing of GDRs on the SGX, and the corporation’s continuing listing obligations will be inserted into the rules as Part XII of Chapter 2 of the Listing Manual. Documents to be submitted in connection to the issue of GDRs will be inserted as a new Practice Note 2.2 of the Listing Manual.
- 5.2 Please refer to Appendix 1 for the proposed new rules and practice note.

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**CHAPTER 2**

**PART XII GLOBAL DEPOSITORY RECEIPTS**

251 Part XII sets out the requirements for the listing of global depository receipts representing equity securities of a corporation issued by a third party (“depository”).

For the purposes of this Part, the following definition applies:-

- (1) “depository” refers to the party, authorised by a corporation, to issue/cancel global depository receipts representing equity securities of a corporation in connection with a global depository receipt program.
- (2) “corporation” refers to the corporation whose equity securities are represented by the global depository receipts.

**REQUIREMENTS FOR AN ISSUE OF GLOBAL DEPOSITORY RECEIPTS**

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- (1) Global depository receipts representing equity securities of a corporation will be admitted to listing on the Exchange only if the securities they represent are already listed or will be concurrently listed on a foreign stock exchange (referred to as the “home exchange”) and must be, or will be, subject to the listing (or other) rules of the home exchange where it has a primary listing.
  - (2) Global depository receipts are to be offered only to accredited or institutional investors.
  - (3) A depository must:-
    - (a) Be a reputable financial institution, duly incorporated according to the relevant laws of its place of incorporation;
    - (b) Be supervised by a banking or securities regulatory authority; and
    - (c) Show that it has the relevant expertise and experience in the issue of global depository receipts.
  - (4) The underlying equity securities, represented by global depository receipts, must be fully paid, freely transferable, validly issued, and free from any liens or encumbrances.
  - (5) The global depository receipts, to be listed, must be fully paid, freely transferable, and free from all liens.
  - (6) The minimum board lot size for trading proposes will be S\$200,000 in value or its equivalent in foreign currencies following listing.

## **CONTINUING LISTING OBLIGATIONS**

- 253            The corporation must undertake to:-
- (1)    Maintain the listing of the underlying equity securities on the home exchange and abide by the listing (or other) rules of that exchange;
  - (2)    Release all information and documents (in English) to the Exchange at the same time as such information is released to the home exchange;
  - (3)    Announce where there is a change in percentage level of interest or interests of a substantial shareholder in the company. The company may follow the rules of its home exchange if the exchange regulates such notifications.
  - (4)    Provide the Exchange with the required number of copies and one electronic copy of its published annual report (in English) and all documents annexed thereto as soon as it is issued, pursuant to the rules of the home exchange. If the annual report is not published in English, to provide a translated copy at the same time the annual report is issued;
  - (5)    Seek the Exchange's approval prior to any change of depository. The replacement depository must satisfy the Exchange that it has the relevant expertise and experience. A subsequent announcement of such change of the depository will be required;
  - (6)    Provide the Exchange with 2 copies of any subsequent amended draft memorandum and articles of association or other constituent document to the Exchange;
  - (7)    Provide the Exchange with the contact details of authorised representatives of the depository and the corporation to facilitate an effective channel of communication, subject to:
    - (a)    such representatives being easily contactable during market trading hours;
    - (b)    to notify the Exchange of any changes to the contact details of the assigned representatives; and
  - (8)    Comply with such other listing rules as may be applied by the Exchange from time to time.

## **FEES**

- 254            A corporation must pay the fees levied by the Exchange .

## **SGX-ST Listing Rules**

### **PRACTICE NOTE 2.2**

#### **GLOBAL DEPOSITORY RECEIPTS**

##### **1. Introduction**

- 1.1 This Practice Note provides guidance on the documents to be submitted in connection to the issue of global depository receipts.

##### **2. Documents to be submitted as part of the listing application**

- 2.1 The offering memorandum, introductory document or a listing document ("listing documents"), whichever is applicable, in connection with an issue of global depository receipts for which listing is sought.
- 2.2 Listing documents must contain the information that accredited and institutional investors and their professional advisors would reasonably require taking into account market practice. The listing document must include the following information:-
- (a) audited annual (consolidated) financial statements for the 3 most recent completed financial years or less where applicable, such as where the corporation exists for less than 3 years. Audited financial statements may be prepared in accordance to the foreign corporation's national law and national accounting standards;
  - (b) any significant developments in the corporation's financial position or material announcements made to the home exchange since the date of the latest audited financial statements;
  - (c) a description of the principal features of the global depository receipts; and
- 2.3 Confirmation by the directors of the corporation that they accept responsibility for the information provided in the listing documents.
- 2.4 The memorandum and articles of association or other constituent documents, if any (incorporating all amendments made to date) which has been filed with its home exchange.

### **3. Documents to be submitted after approval in-principle**

- 3.1 After the corporation receives approval in-principle from the Exchange, the following documents must be submitted before the listing of the securities:-
- (a) The signed listing undertaking in the form set out in Appendix 2.3.1;
  - (b) The signed issue documents, such as the depository agreement (as applicable);
  - (c) The required number of copies of the listing documents; and
  - (d) Such other documents (if any) as stipulated in the approval in-principle letter.