



AMBIF Bond and Note Issuance Process in Singapore

Overview of Regulatory Processes

Minimal regulatory processes are required for bond and note issuance to Institutional Investors in the Singapore market. There are no specific distinctions by corporate issuer type, as shown in Table 2.

In order to make the issuance processes by issuer type more comparable across ASEAN+3 markets, Table 2 features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

At the same time, since the SGX Wholesale Bonds market is the target professional market conducive to AMBIF, it is necessary to include the application to SGX for profile listing on the Wholesale Bonds market in this chapter.

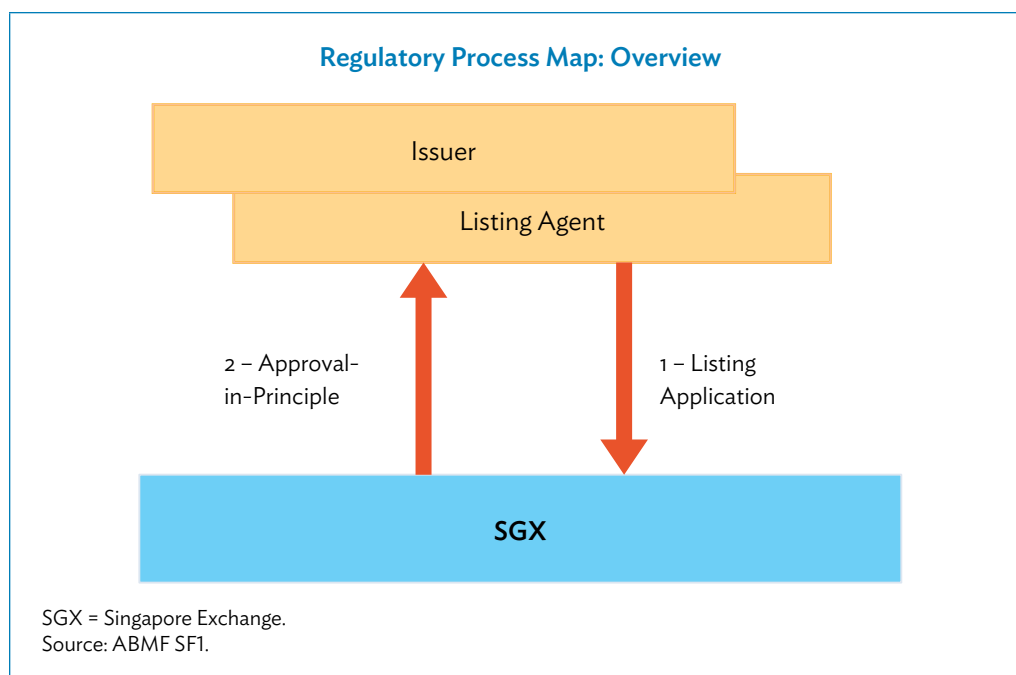
Regulatory Process Map: Overview

In the absence of specific regulatory process requirements imposed by MAS on the issuance of bonds and notes to Institutional Investors in the domestic Singapore bond market, the process map is limited to the well-established listing for profiling option on the SGX Wholesale Bonds market. The regulatory process map shown below may help with the navigation of the applicable regulatory processes in Singapore for a proposed bond or note issuance.

Table 2: Regulatory Processes by Corporate Issuer Type

Type of Corporate Issuer	SGX
Resident issuer	Listing for profiling eligibility follows criteria in SGX Listing Rules
Resident nonfinancial institution	
Resident financial institution	
Resident issuing FCY-denominated bonds and notes	
Nonresident issuer	
Nonresident nonfinancial institution	
Nonresident financial institution	
Nonresident issuing FCY-denominated bonds and notes	

FCY = foreign currency, SGX = Singapore Exchange.
Source: ABMF SF1.



Issuance Process in Local Currency or Foreign Currency

There is no distinction between the issuance and listing processes for local currency (Singapore dollar) and foreign currencies. At present, the SGX Wholesale Bonds market features listings for profiling in more than 20 currencies, including those from other ASEAN+3 markets.

Listing for Profiling on SGX

Typically, the issuer is represented by a listing agent who will file or submit the necessary application for listing and required documentation to SGX as the listing authority.

The following steps will need to be undertaken by the issuer of a bond or note (or listing agent of the issuer) in the Singapore domestic bond market.

Step 1: Submit Application for Listing to SGX

Any issuer (or listing agent) intending to list on SGX will need to submit a listing application, accompanied by the required documentation and disclosure items for the type of listing selected.

In the case of a planned listing for profiling targeted at Institutional Investors, the issuer (or listing agent) needs to select the Wholesale Bonds market option when applying. As a result, the Wholesale Bonds market's specific documentation and disclosure requirements, which differ significantly from the requirements for public offers on the SGX main board, will need to be observed when submitting the application.

An issuer of debt securities is required to satisfy one of the following requirements:

1. The issuer must be
 - a. a supranational body;
 - b. a government, or a government agency whose obligations are guaranteed by a government;
 - c. an entity whose equity securities are listed on SGX; or
 - d. a corporation which meets the following requirements:
 - i. Rule 210(2), (3), (4), and (5) for the listing of equity securities (please refer to Chapter 2 of SGX Listing Rules);
 - ii. a cumulative consolidated pre-tax profit of at least SGD50 million for the last 3 years, or a minimum pre-tax profit of SGD20 million for any one of the 3 years; and consolidated net tangible assets of at least SGD50 million; or
 - iii. a corporation whose obligations under the issue of the debt securities is guaranteed by any of 1. a, b, c, or d.
2. The issue of debt securities must be at least 80% subscribed by either sophisticated investors or Institutional Investors.
3. The issue of debt securities must have a credit rating of investment grade and above.

It should be noted that most issuers do not opt to use credit rating as an eligibility criterion for a listing on the Wholesale Bonds market. Instead, issuers tend to choose the offer to sophisticated investors and Institutional Investors criterion.

As for the key documentation and disclosure items, SGX typically accepts an Information Memorandum of a bond or note, together with additional documents, as may be necessary. The actual document(s) used are driven by the parties involved and may be decided by current market practice.

Issuers or their listing agents must apply for the listing online via the SGX e-Submission web portal.

Step 2: SGX Checks Application for Listing and Issues an Approval-in-Principle

SGX will check the application for listing, following the online submission of the relevant information in documentation and disclosure items. SGX may, at its discretion, request from the issuer or listing agent supplementary information, if so required.

SGX commits to review the listing application and, if all components are in order, to issue an Approval-in-Principle for listing within 1 business day. The approval is communicated via an e-mail alert feature.

The listing for profiling process typically attracts a fee of SGD25,000 for every successful stand-alone application.

Step 3: Actual (Effective) Listing

The regulatory process for a profile listing is completed with the actual listing on the SGX Wholesale Bonds market. The issuer may list within 3 months from the issuance of the Approval-in-Principle, subject to the issuer satisfying the conditions set out in the Approval-in-Principle.

The issuer or listing agent may stipulate the preferred actual listing date in their listing application. Since the operational process for a listing on the SGX Wholesale Bonds market requires 3 days lead time, the issuer or listing agent will need to submit the required debt creation form to SGX at least 3 working days prior to their preferred date, once the Approval-in-Principle has been issued.

If these process steps have been observed, the listing is effective on the stipulated date.