

LEGAL UPDATE

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LEGISLATION UPDATE

RECENT DEVELOPMENTS IN SECURITIES REGULATION

This update highlights the following recent developments:

- Initial Approved Sponsors for Catalist
- New Securities and Futures Regulations and Amendment Regulations

Initial Approved Sponsors for Catalist

The Singapore Exchange Limited (the “**SGX**”) has announced the initial group of approved sponsors for Catalist, the SGX’s new second board that replaces the Stock Exchange of Singapore Dealing and Automated Quotation System (“**SESDAQ**”). Please click [here](#) to view the full list of sponsors.

Companies that have been subject to the previous SESDAQ rules will be given at least two years to engage a sponsor and adopt the Catalist rules. The final deadline for the transition is expected to be reviewed and announced in the first half of 2009.

Catalist commenced operations in December 2007. With the announcement of the sponsors, Catalist is poised to accept applications for new listings under the Catalist rules.

(For a brief overview of Catalist and its rules, please refer to our update dated 29 November 2007 [here](#).)

New Securities and Futures Regulations and Amendment Regulations

The Monetary Authority of Singapore (the “**MAS**”) has issued the following regulations under the Securities and Futures Act (the “**SFA**”):

Securities and Futures (Offer of Investments) (Shares) (Exemption from Prospectus Requirements) Regulations 2008

These regulations provide that where shares or units of shares are to be listed on Catalist pursuant to the framework prescribed by the Catalist listing rules, certain sections of the SFA and certain regulations of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 dealing with requirements for a prospectus, profile statement, preliminary documents, supplementary and replacement documents and their lodgment and registration would not apply to the offer of such shares or units of shares. The Catalist listing rules are to be complied with instead.

This exemption ties in the Catalist listing rules with the SFA provisions regarding offers of securities and their disclosure requirements. As an illustration, instead of lodging a prospectus with the MAS, a Catalist listing applicant would lodge an offer document, containing similar disclosure requirements to that of a prospectus, with the SGX (acting as an agent of MAS). The SGX will also act as an agent of MAS in registering such offer documents.

Securities and Futures (Market Conduct) (Exemption from Section 199) Regulations 2008

These regulations exempt the SGX from the offence of making false or misleading statements through the posting of documents pertaining to Catalist companies on Catalist's website.

The documents in question are:

- preliminary documents;
- prospectuses;
- supplementary documents;
- replacement documents;
- offer information statements; and
- circulars issued under the SGX listing rules on reverse takeovers or very substantial acquisitions.

Securities and Futures (Composition of Offences) (Amendment) Regulations 2008

The Securities and Futures (Composition of Offences) Regulations have been amended to enable the MAS to compound the offence of making false and misleading statements in the offering of shares, units of collective investment schemes or units of business trusts. This means that a person suspected of having committed this offence may settle the charge by accepting the MAS' offer of composition and paying the MAS the prescribed composition sum.

References

For further details on the above announcement and regulations, please click on the following links:

1. [SGX Announcement on Catalist sponsors](#)
2. [SGX Catalist Listing Rules](#)
3. [Securities and Futures \(Offer of Investments\) \(Shares\) \(Exemption from Prospectus Requirements\) Regulations 2008](#)
4. [Securities and Futures \(Market Conduct\) \(Exemption from Section 199\) Regulations 2008](#)
5. [Securities and Futures \(Composition of Offences\) \(Amendment\) Regulations 2008](#)

If you would like more information about any of the above developments or wish to discuss how the changes may potentially affect you or your business, please feel free to contact the following lawyers or any of the other lawyers in our banking and corporate department (please refer to the Directors' Profiles on our [website](#)):

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The content of this article does not constitute legal advice and should not be relied on as such. Specific advice should be sought about your specific circumstances.

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