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SGX RegCo introduces enhanced disclosures supporting value creation

29 October 2026

LEGAL UPDATE

In this Update

The Singapore Exchange Regulation ("**SGX RegCo**") recently announced that the listing rules which apply to issuers listed on the Mainboard and Catalist of the Singapore Exchange Securities Trading Limited ("**Listing Rules**") will be amended to introduce enhanced disclosure requirements on executive remuneration, dividend policies and investor relations. This update outlines the key changes and what issuers should expect when the new rules take effect from 1 January 2027.

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BACKGROUND

On 23 September 2026, SGX RegCo announced that the Listing Rules will be updated to introduce enhanced disclosure requirements relating to remuneration, dividend policies, and investor relations with the view of fostering a value creation culture among issuers. Such amendments follow a public consultation pursuant to the consultation paper issued by SGX RegCo on "Enhanced Disclosures: Value Creation and Investor Engagement" on 22 April 2026 ("**Consultation Paper**").

These amendments come amid renewed investor interest in Singapore's equity market and form part of SGX RegCo's efforts to sustain investor interest through greater transparency and investor engagement. The amendments seek to strengthen disclosure standards while preserving flexibility for issuers.

The amendments will take effect from 1 January 2027. We summarise the key changes below.

REMUNERATION

In the annual reports of issuers for financial years commencing on or after 1 January 2027, the issuers will be required to disclose key financial and non-financial performance indicators ("**KPIs**") used to determine the remuneration of their executive directors and executive officers, and describe how those KPIs align with the issuers' long-term value creation objectives. The requirement does not apply to non-executive directors, including independent directors.

Where there are material changes to the KPIs from the immediately preceding financial year, issuers will also be required to explain the reasons for such changes.

As noted in the Responses to Comments on Consultation Paper issued by SGX RegCo on 23 September 2026 ("**Response Paper**"), while the issuers have discretion over the level of detail provided, their disclosures must adequately convey the nature of each KPI and what it measures, and be sufficiently meaningful to enable investors to assess the appropriateness of each KPI against the issuer's strategy and long-term value creation objectives. A generic statement that remuneration is determined by reference to financial and non-financial measures, without identifying the KPIs, would not satisfy the new rule.

DIVIDEND POLICY

Issuers will be required to maintain a dividend policy from 1 January 2027 and describe the policy in their annual reports in respect of financial years commencing on or after 1 January 2027.

It is worth noting that this requirement does not prescribe any specific dividend approach, payout ratio or target, or commit issuers to paying dividends. As such, for issuers in a growth or expansion phase that intend to retain capital for growth or other business needs, such issuers may articulate this in the dividend policies.

Issuers are expected to exercise judgement in providing information that is appropriate to their circumstances and useful to investors to encourage investor confidence and engagement.

In the Response Paper, SGX RegCo clarified that issuers may depart from the dividend policy described in their annual reports for the immediately preceding financial year, as long as issuers explain the reasons for the deviation in their annual reports.

WEBSITE FOR INVESTOR ENGAGEMENT

From 1 January 2027 onwards, issuers will be required to maintain a website, or a dedicated investor engagement section within their website, for engagement with shareholders. As set out in Practice Note 7.8 of the Mainboard Rules and Practice Note 7H of the Catalist Rules, issuers are encouraged to include information including constitutive documents, latest annual reports and sustainability reports, minutes of most recent general meetings, and a calendar of upcoming shareholder engagement events on such website. Issuers should determine what information would be useful to investors having regard to investor feedback.

The website will serve as an additional investor engagement touchpoint, with SGXNET remaining the primary channel for disseminating material information to the market.

INVESTOR RELATIONS POLICY

From 1 January 2027 onwards, issuers will be required to maintain an investor relations policy ("**IR Policy**"). In their annual reports for financial years commencing on or after 1 January 2027, issuers must describe their IR Policy, disclose the website address through which shareholders may access the IR Policy, and describe the key activities undertaken during the financial year to engage with shareholders.

At a minimum, the IR Policies must set out the channels through which the issuers communicate with the shareholders, including mechanisms by which shareholders may contact the issuers. While the issuers otherwise have flexibility over the content of their IR Policies, SGX RegCo highlights that the IR Policies must serve to facilitate regular, effective and fair communication with shareholders. Practice Note 7.8 of the Mainboard Rules and Practice Note 7H of the Catalist Rules set out information that issuers may include in their IR Policies and annual report disclosure of investor engagement activities as guidance for issuers.

WHAT DOES THIS MEAN FOR ISSUERS?

In light of the upcoming changes to the Listing Rules, issuers should review their existing remuneration, dividend and investor engagement frameworks to identify any changes required to meet the new requirements and ensure compliance with the Listing Rules from 1 January 2027 onwards.

REFERENCES

Please click here to access SGX RegCo's press release dated 23 September 2026, and here to access the Consultation Paper and the Response Paper.

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