

18 September 2014

## News Release

# Singapore National Market Practice Group strengthens Corporate Actions reporting in Singapore

The Singapore National Market Practice Group (SG NMPG) has been working closely and successfully with the Singapore Exchange (SGX) in the last 6 months to strengthen disclosure practice by improving corporate actions reporting in the Singapore capital market. This initiative, which leverages the key and unique functionalities of SGXNews, has provided significant benefits to the asset servicing community and investors in terms of faster and more accurate news delivery.

Processing corporate actions is sometimes termed the final frontier of operational efficiency, and traditionally it has been one of the most complex and manual functions, prone to various operational risks. Some of these risks resulted from Issuers who made their announcements in different unstructured documents, causing multiple interpretation and data input errors. In such cases, there could be opportunity or financial losses for end investors.

To mitigate these risks and errors, the SG NMPG collaborated with SGX to define the requirements that the industry needed to facilitate efficient processing of structured data directly from the Issuers. This then enables SGX to disseminate corporate actions information in standard ISO formats via the SGXNews corporate announcement service. This also supports end-to-end straight through processing of corporate actions within the Singapore market, thereby minimizing possible human errors.

All SGX issuers and listed companies are now required to fill out structured data fields through SGXNet, an online submission platform, which allows the data to be transmitted in real-time and processed without human intervention.

## **Strong Support by SMPG Members**

1. **Tony Lewis**, Head of Securities Services, HSBC Singapore, and new Chair of the Singapore Securities Markets Practice Group (SMPG) said "We are pleased to be part of this landmark initiative to develop and implement industry-wide standards which would ultimately help to improve operational efficiency, reduce risk and enhance transparency in Singapore's securities market. This collaboration with the SGX is a very positive development for Singapore as a global financial centre. HSBC is committed to leveraging this service and sharing our knowledge of best practices across the globe for the benefit of our clients and industry practitioners. We commend all SMPG participants, the SGX, SWIFT and the issuers on this notable success."

2. **Alan Naughton**, Global Head of Securities Services, Corporate Agency & Trust at Standard Chartered Bank said: "This initiative is setting SGX and the Singapore market at the front stage of corporate actions innovation and Standard Chartered is extremely pleased to have contributed to this. Collectively, the Singapore community has proven it was possible to crack a very old industry challenge, by establishing an automated and standardized link for corporate actions announcements between issuers, SGX and local custodians. Local and cross-border investors and intermediaries will benefit from faster and high quality corporate actions data, obtained directly from the official source of information."

3. **Alvin Goh**, Managing Director and Country Head of Securities Services of Citi Singapore, said "The accuracy, completeness and timeliness in the processing of data directly from Issuers is key to the success of our custodian services. To help our clients mitigate risk, reduce operational costs and increase straight-through-processing rates, we have been working closely with SGX to look into ways to improve investment servicing, including corporate actions reporting through SGXNews. Citi has greatly benefited from SGXNews since its rollout and we look forward to leveraging the enhanced version of this service,

which will drive further efficiency in Singapore's securities market and reduce risks to intermediaries and investors alike."

4. **Siraz Mouhamadmoussa**, Head of Clearing, Custody and Settlement, BNP Paribas Securities Services Singapore branch mentioned "Operational efficiency and strong risk management framework are key drivers to deliver best in class services to investors. BNP Paribas Securities Services actively participate within SMPG to improve standards and develop efficiencies. One of the latest major initiatives was to structure and automate information from issuers which improved the timeliness in corporate action activity. Collectively the group is committed to setting international standards in Singapore"

5. **Ms Ee Fong Soh**, Head of Securities and Fiduciary Services, Global Transaction Banking at DBS, said "This is a great initiative by SGX – leveraging new technology and standards to bring greater efficiencies for capital market participants in the Singapore market. This innovation will provide issuers, intermediaries and investors instantaneous and structured corporate actions information that they need, putting SGX and the Singapore market in the leading edge of managing the risks around corporate actions."

6. **Chris Flanagan**, Managing Director, Head of Markets & Initiatives, SWIFT APAC, added, "SWIFT has been working for many years with the financial community on the automation of corporate actions. With this initiative we have reached a milestone today as this is the first time that all market participants are truly involved, from issuers, to the market infrastructure and custodians. We believe this will further improve transparency and communication between issuers and investors, which in turn will bring greater accuracy, reduced risks and costs to the industry."

7. "We appreciate the active involvement of SNMPG in shaping the requirements of structured company disclosure templates to enable efficient processing of issuers' corporate actions. Issuers have also played a key role in expediting the seamless connectivity between the issuers and the investors. Our commitment and collaborative efforts have further reinforced SGXNews as the definitive golden source for the Singapore market," said **Tinku Gupta**, Head of Market Data and Access, SGX. "SGX's upgraded feed promotes straight-through processing for the asset servicing community and enables trading applications with real-time data on corporate actions."

END

#### **About SG NMPG**

The Securities Market Practice Group (SMPG) was created in July 1998 and since its inception has established a local presence in more than 30 countries through National Market Practice Groups (NMPG). These groups are comprised of broker/dealers, investment managers, custodian banks, central securities depositories and regulators. SMPG has been extremely successful in creating globally agreed harmonised market practices which, integrated with ISO standards has brought the securities industry closer to achieving Straight Through Processing (STP). The SMPG is focused on enhancing the current securities industry practices. This group realizes the benefit of industry utilities and other industry groups in dictating conformance to standards and market practices.

#### **About SGXNews**

SGXNews is the definitive golden-source for real-time Company Announcements in Singapore market. It releases timely structured Company Announcements directly from all SGX-listed companies and product issuers, including Corporate Actions information, in standard ISO-15022 format over the SWIFT network and in highly reliable XML format (including ISO-20022 format for Corporate Actions). SGXNews is the preferred data service used by key data vendors, custodians, financial institutions operating in the Singapore market.