

RESPONSE TO CONSULTATION PAPER

Consultation Topic	MAS Consultation Paper on Consolidation of Listing Suitability and Prospectus Review Functions
Name / Organisation	<p>CFA Society Singapore</p> <ol style="list-style-type: none"> 1. Allen Cheong, CFA 2. Maurice Teo, CFA 3. Song Shuan, CFA 4. Terence Teo, CFA <p>CFA Institute (APAC)</p> <ol style="list-style-type: none"> 1. Mary Leung, CFA
Email address for any clarification	advocacy@cfasocietysingapore.org
Response to consultation paper	Submission 28 November 2025, via link provided by MAS https://form.gov.sg/688b0e470f3e731427780d1e

CFA Society Response to MAS Consultation Paper on Consolidation of Listing Suitability and Prospectus Review Functions

28 November 2025

Question 1. MAS seeks comments on the proposed scope of powers, functions and duties to be delegated to SGX RegCo.

CFA Society Singapore members and CFA Institute are generally supportive because of the potential for a more efficient listing process, particularly given the following feedback:

- **Efficiency and Competitiveness:** Members believe that a single front door for issuers is crucial to minimize friction and ensure the Singapore market—which is small compared to regional peers—remains competitive. Efficiency is viewed as key to aligning our rules with larger markets (e.g., US, HK) to encourage cross-issuers and liquidity. [In our view, to ensure maximum clarity and benefits of this proposal, there should be a full delegation of powers to SGX RegCo with MAS retaining its oversight role.]
- **Reduced Duplication:** Consolidating listing review functions under a single frontline regulator aligns with the objective of improving time-to-market and reducing duplicative reviews. If this genuinely shortens and clarifies timetables, both issuers and investors stand to benefit: issuers would be more prepared as the process will be clearer and more predictable; and there will be fewer “stop-start” IPOs that may damage investor confidence.
- **Integrated Assessment:** As SGX RegCo becomes the single point of engagement, it should be able to provide a more holistic review of an issuer’s business model, risk factors, financial strength, governance and other representations, and be able to provide more direct feedback and reduce uncertainty.
- **Clear Boundaries:** With appropriate governance safeguards and continued MAS oversight of policy and enforcement, members feel the proposed scope can enhance competitiveness while preserving regulatory standards.

However, we note the following risks:

- **Conflict of Interest:** There is concern regarding the concentration of powers within an exchange-affiliated regulator (SGX RegCo), a wholly-owned subsidiary of a for-profit entity with external shareholders. This creates a tension where commercial pressure to drive listings may conflict with regulatory responsibilities to protect investors, potentially leading to a perception of “issuer-friendly” bias.
- **Loss of Independent Gatekeeper:** Removing MAS’s frontline role reduces the statutory “second pair of eyes,” which currently serves as an independent check. This loss of a visible, independent statutory gatekeeper at the IPO stage may affect investor confidence.
- **Divergence from Global Norms:** The proposal represents a more aggressive consolidation than peer markets (US, UK, HK, Australia), where statutory regulators generally retain direct authority over prospectus registration and approval. Deviating too far from these IOSCO-aligned global norms may cause institutional investors to question the robustness of the gatekeeping.

- **Resource and Accountability Concerns:** SGX RegCo will require significantly more resources to handle these duties; under-resourcing could weaken review quality. Furthermore, full delegation may blur accountability if disclosure failures arise later, making it harder for investors to identify where responsibility lies.

Question 2. MAS seeks suggestions on any other measures or modifications that may be needed to ensure that SGX RegCo can exercise the powers or perform the new functions and duties effectively and efficiently.

We suggest MAS consider the following pointers to strengthen the proposed framework:

- **Governance Safeguards:** MAS should establish specific governance safeguards to ensure SGX RegCo remains strictly independent from SGX's commercial business, particularly when adjudicating difficult or marginal listing cases.
- **Sustainable Resourcing:** Mechanisms should be put in place to ensure SGX RegCo's review functions are funded stably and are not influenced by fluctuations in listing revenue, ensuring capacity matches the expanded mandate.
- **Clear Intervention Triggers:** MAS should publish clear criteria outlining the specific triggers that would cause it to step in directly to review or stop an IPO, ensuring predictability for the market.
- **Transparent Reporting:** To allow investors to monitor standards, there should be transparent reporting on key metrics, including stop orders, registration refusals, comment cycles, and review timelines.
- **Enforcement Coordination:** Clear protocols must be established for how concerns flagged during the prospectus review will be shared with MAS's enforcement or supervisory units to ensure seamless regulatory action.
- **Post-Implementation Review:** MAS should commit to a periodic, independent evaluation of the new model after implementation to assess its effectiveness and address any emerging gaps.