CHAPTER 3
DEBT SECURITIES

PART I SCOPE OF CHAPTER

301 This Chapter applies to the listing of debt securities, such as bonds, notes and loan stocks, issued by domestic or foreign corporations, supranational bodies, governments, government agencies or any other entities, whether established in Singapore or elsewhere, offered to specified investors and non-specified investors.

For purpose of this Chapter, “specified investors” means persons specified under sections 274 or 275 of the SFA (or such equivalent terms in the relevant jurisdictions where the debt securities are subscribed), and “non-specified investors” means persons who are not specified investors.

302 An issuer can seek listing of its debt securities in one of the following ways:-

(1) Placement or offer for sale or subscription of a new or existing issue of debt securities.

(2) Introduction of an existing issue of debt securities. An introductory document must be issued in connection with the listing.

PART II LISTING REQUIREMENTS FOR LOCAL DEBT SECURITIES

303 One of the following requirements must be met for the listing of an issue of local debt securities:

(1) For an issuer whose equity securities are listed on the Exchange, the issue of debt securities must have a principal amount of at least S$750,000 (or its equivalent in foreign currencies).

(2) For an issuer whose equity securities are not listed on the Exchange:

(a) The issuer must meet the Exchange's requirements in Rule 210(2), (3), (4) and (5) for listing of equity securities, and the issue of debt securities must have a principal amount of at least S$750,000 (or its equivalent in foreign currencies); or

(b) The issue of debt securities must have a principal amount of at least S$750,000 (or its equivalent in foreign currencies) and at least 80% of the issue must be subscribed by sophisticated or institutional specified investors; or

(c) The issuer must be the Government or a Singapore government agency; or

(d) The issue of debt securities must have a credit rating of investment grade and above.
(3) Where the requirements in Rule 303(1) or (2) are not met, the issuer's obligations under the issue of the debt securities must be:-

(a) guaranteed by an entity that is listed on the Exchange and the issue of debt securities must have a principal amount of at least S$750,000 (or its equivalent in foreign currencies); or

(b) guaranteed by an entity which meets the requirement in Rule 210(2),(3),(4) and (5) and the issue of debt securities must have a principal amount of at least S$750,000 (or its equivalent in foreign currencies); or

(c) guaranteed by the Government or a Singapore government agency.

(4) The issuer or guarantor must meet the criteria for exemption under the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016.

(5) The issuer or guarantor must meet the eligibility criteria under Part VI of this Chapter.

PART III  LISTING REQUIREMENTS FOR FOREIGN DEBT SECURITIES

304  One of the following requirements must be met for the listing of an issue of foreign debt securities:-

(1) The issuer must be:-

(a) a supranational body; or

(b) a government, or a government agency whose obligations are guaranteed by a government; or

(c) an entity whose equity securities are listed on the Exchange; or

(d) a corporation which meets the following requirements:-

   (i) Rule 210(2), (3), (4) and (5) for the listing of equity securities; or

   (ii) A cumulative consolidated pre-tax profit of at least S$50 million (or its equivalent in foreign currencies) for the last three years, or a minimum pre-tax profit of S$20 million (or its equivalent in foreign currencies) for any one of the three years; and consolidated net tangible assets of at least S$50 million (or its equivalent in foreign currencies); or
(e) a corporation whose obligations under the issue of the debt securities are guaranteed by any of the entities in Rule 304(1)(a),(b), (c) or (d).

(2) The issue of debt securities must be at least 80% subscribed by sophisticated or institutional specified investors.

(3) The issue of debt securities must have a credit rating of investment grade and above.

(4) The issuer or guarantor must meet the criteria for exemption under the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016.

(5) The issuer or guarantor must meet the eligibility criteria under Part VI of this Chapter.

PART IV GENERAL REQUIREMENTS FOR DEBT SECURITIES

Paying Agent

305 A foreign issuer is normally required to appoint a paying agent in Singapore while the debt securities are quoted on the Exchange and upon the issue of debt securities in definitive form. The Exchange may accept other arrangements to enable definitive certificate holders of the bearer debt securities in Singapore to be paid promptly.

Release of Reports Disclosure of Allocation Outcome

306 If an issuer is subject to the trust deed requirements below, it must release the reports and/or financial results required in Rule 308(8)(c) and (d) via SGXNET within the period specified. Where an issue of debt securities is offered to non-specified investors, the issuer must announce the outcome of the offer, and where appropriate, the level of subscription, the basis of allocation and allotment, and the subscription rate for the offer, prior to the listing of the debt securities.

Adjustments

307 If debt securities are:

(1) redeemable by the issuer, either in whole or in part, by an issue of shares; or

(2) convertible into shares, either in whole or in part, by the holder; or

(3) issued in conjunction with separate options to subscribe for shares,
the terms of issue of the debt securities must provide for appropriate adjustments to the conversion rights in the event of any alteration to the capital of the issuer, and whether the holders of the debt securities and/or options have any participating rights in the event of a takeover offer for the issuer.

Trustee and Trust Deed

308 (1) An issuer must appoint a suitable trustee to represent the holders of its debt securities listed on the Exchange. A company which holds a trust business license under the Trust Companies Act satisfies this rule.

(2) The trustee must have no interest in or relation to the issuer which may conflict with its role as trustee. Rule 308 does not apply to a debt issue that is, for the entire tenor of the debt issue:

(a) offered only to specified investors; and

(b) traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

(3) If the trustee ceases to perform its function, the issuer must appoint another suitable trustee. The issuer shall ensure that the trustee is a person that satisfies one of the following requirements:

(a) a holder of a trust business license under the Trust Companies Act that is carrying on business in Singapore in that capacity; or

(b) a bank licensed under the Banking Act that is carrying on business in Singapore in that capacity; or

(c) an approved trustee referred to in section 289 of the SFA that is carrying on business in Singapore in that capacity; or

(d) a trustee that is licensed or regulated in an equivalent foreign jurisdiction and that is carrying on business in or outside of Singapore in that capacity.

(4) The directors of the issuer must confirm that a suitable trustee has been appointed. The confirmation must be submitted to the Exchange prior to the issue of the debt securities. The issuer shall ensure that it has no interest in or relation to the trustee which may conflict with the trustee’s role as trustee. In evaluating if it has such an interest or relation, the issuer shall take into account whether it controls (as defined in the Listing Manual) the trustee.

(5) A trust deed governing the issue of debt securities must be executed and contain the requirements in Rule 308(8). The issuer shall ensure that the trust deed governing the issue of debt securities is executed and contains provisions to the effect of the following:
(a) the trustee or the security trustee appointed shall:

(i) upon the occurrence of an event described in Rule 308(5)(b)(i), take action, which shall be set out in the trust deed, on behalf of holders of debt securities; and

(ii) ensure that it has the ability and powers to perform all of its duties as set out in the trust deed;

(b) the issuer shall promptly notify the trustee when the issuer is aware that:

(i) any event of default, enforcement event or other event that would cause acceleration of the repayment of the principal amount of the debt securities has occurred; or

(ii) any condition of the trust deed cannot be fulfilled;

(c) a meeting of holders of debt securities shall be called on a requisition in writing signed by holders of at least 10% of the nominal amount of the outstanding debt securities; and

(d) if the trustee ceases to perform its function, the issuer shall appoint another trustee which meets the criteria in Rules 308(3) and 308(4).

(6) Rule 308(1) to (7) does not apply to:

(a) an issuer who has been declared a “prescribed corporation” for the purpose of Section 239(4) of the SFA.

(b) a debt issue that is offered only to sophisticated or institutional investors and is traded in a minimum board lot size of S$200,000 or its equivalent in foreign currencies following listing.

(7) The issuer must make all its financial and other records available for inspection by the trustee and its agent(s).

(8) A trust deed required by Rule 308(5) must include the following provisions:

(a) A limitation on the amount that the issuer or any guarantor company may borrow. For the purpose of this limitation:

(i) any advances made by the issuer or any guarantor company to their holding company, or to any of their subsidiaries or their holding company's subsidiaries; and

(ii) any investment by the issuer or any guarantor company in the shares of their subsidiaries or their holding company's subsidiaries,

must not be brought into account as an asset unless the company to or in which the
advance or investment is made in a guarantor company and covenants with the trustee to limit itself to the same limitation of liabilities as the borrowing company.

(b) A covenant that on request in writing by the trustee, the issuer will cause any wholly-owned subsidiary (whether formed or acquired before or after the date of the Trust Deed) of the issuer to become a guarantor company. The covenant may be qualified, but must provide that the trustee is entitled:

(i) in the case of secured debentures if the value of the security is or is believed by the trustee to have become less than the principal amount outstanding; or

(ii) in the case of debentures or unsecured notes if the ratio limiting the liabilities or borrowing for the purpose of the Trust Deed has been or is believed by the trustee to have been infringed or its maintenance is threatened;

to call upon the issuer to procure any one or more of its subsidiaries (whether formed or acquired before or after the date of the Trust Deed) to become a guarantor company.

(a) The directors of the issuer must prepare a report that relates to each quarter and lodge it with the trustee within one month of the end of the period. The report must be signed by 2 directors and state:

(i) whether or not any limitation of liabilities or borrowings as prescribed by the Trust Deed has been exceeded;

(ii) whether or not the issuer and the guarantor company have observed and performed all the covenants and obligations binding upon them respectively pursuant to the Trust Deed;

(iii) whether or not any event has happened which has caused or could cause the security created by the Trust Deed to become enforceable;

(iv) whether or not any material trading or capital loss has been sustained by the issuer or any guarantor company;

(v) whether or not any circumstances materially affecting the issuer or any guarantor company have occurred which adversely affect the debt securities;

(vi) whether any contingent liabilities have been incurred by the issuer or any guarantor company. If so, to state the amount incurred, and whether or not any contingent liability has matured or is likely to mature within the next twelve months, which will materially affect the ability of the issuer or any guarantor company to repay the debt securities;

(vii) whether or not there has been any change in any accounting method or method of valuation of assets or liabilities;
whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities misleading or inappropriate; and

any substantial change in the nature of the issuer’s or any guarantor company’s business since the issue of the debt securities.

(d) Within three months of the expiration of the full year and the half year, the issuer must provide the trustee the consolidated profit and loss account and balance sheet (which must be prepared in accordance with the approved accounting standards) of the issuer and of any guarantor company. The accounts relating to the full year must be audited.

(e) The directors shall notify the trustee immediately when they are aware that any condition of the Trust Deed cannot be fulfilled.

(f) A meeting of holders of debt securities must be called on a requisition in writing signed by holders of at least 10% of the nominal amount of the outstanding debt securities.

Medium Term Note Programme

309 The principal amount of each listed series of a Medium Term Note Programme must be at least S$5 million (or its equivalent in foreign currencies).

PART V LISTING PROCEDURES FOR DEBT SECURITIES

310 An applicant may consult the Exchange to resolve specific issues prior to the submission of an application. Unless the Exchange prescribes otherwise, the following sets out the usual main steps in the listing process.

(1) The applicant submits (to the Listings Function) one copy of the listing application. The listing application comprises the prospectus, offering memorandum or introductory document prepared in compliance with Rules 312 to 313 and, the supporting documents set out in Rule 314. The prospectus, offering memorandum or introductory document which forms part of the listing application must be in final form;

(2) The Exchange considers whether the application satisfies the listing requirements and will decide whether to issue an eligibility-to-list letter for listing (with or without conditions). Listing will not be permitted until all conditions set out in the eligibility letter have been satisfied;

(3) Where a prospectus, offering memorandum or introductory document is required to be issued, the applicant lodges the prospectus, offering memorandum or introductory document with the relevant authority (if applicable) and submits a copy to the Exchange.
The lodged copy of the prospectus, offering memorandum or introductory document should not be materially different from the prospectus, offering memorandum or introductory document on which the eligibility-to-list letter was issued. The applicant must submit a written confirmation to the Exchange to this effect. If there are material differences, the Exchange may withdraw the eligibility-to-list letter;

(4) The Exchange will inform the applicant of any further information that is required to be disclosed prior to commencement of trading. The applicant decides whether to include this information in its prospectus, offering memorandum or introductory document, or to make pre-quotation disclosure through an announcement to the Exchange. Pre-quotation disclosure must be made not later than the market day before commencement of trading of the debt securities; and

(5) On satisfaction of the conditions expressed in the eligibility-to-list letter, the issuer’s debt securities will be listed and quoted on the Exchange.

Time Schedule

311 The Exchange will decide whether to issue an eligibility-to-list letter as soon as practicable after receipt of a complete application. If the applicant makes material amendments to the prospectus, offering memorandum or introductory document, the time may start to run from the date the material amendment is notified to the Exchange.

Content Of Prospectus, Offering Memorandum Or Introductory Document

312 If a prospectus is required, a checklist showing compliance with Part II of Chapter 6 must be provided. If, under applicable law, an application is made to the relevant government authority for any waiver or modification of any prospectus requirement, a copy of such letter must be submitted together with the prospectus.

313 If the debt securities are offered without a prospectus and primarily to sophisticated investors or institutional specified investors, the offering memorandum or introductory document must contain the information that such investors would customarily expect to see in such documents.

Documents To Be Submitted With The Prospectus, Offering Memorandum Or Introductory Document

314 Two copies of each of the documents set out below must be submitted together with the applicable listing fee. Where the debt securities are issued by an issuer whose equity securities are listed on the Exchange, or where the debt securities are offered primarily to sophisticated investors or institutional specified investors, the issuer need only submit the documents set out in Rule 314(5), (6), (7) and (8).
(1) The Memorandum and Articles of Association or other constituent documents if any, incorporating all amendments to date.

(2) Material contracts (other than those entered into in the ordinary course of business) entered into during the preceding 24 months or proposed to be entered into by the issuer and its subsidiaries with any director, controlling shareholder or their associates.

(3) Auditors' report to management on the internal control and accounting system of the issuer and its principal subsidiaries.

(4) For an issuer which is engaged in property investment or development, valuation report(s) of each principal asset of the group that is revalued.

(5) The mortgage indenture or equivalent instrument certified by the trustee.

(6) The trust deed and a checklist showing compliance with the requirements in Rule 308(8), (3), (4) and (5).

(7) Other documents, such as a deed poll, that may be applicable to the issue of debt securities.

(8) A checklist showing compliance with the relevant requirements under Rules 303 to 309.

(9) The Exchange may require the applicant to provide additional information and any other documents which it requires for a proper consideration of the application.

Documents To Be Submitted After Approval In-Principle

After the issuer receives approval in-principle from the Exchange, the following documents must be submitted before the listing of the debt securities:

(1) The signed listing undertaking in the form set out in Appendix 2.3.1;

(2) The signed issue documents, such as the subscription agreement, agent bank agreement and fiscal agency agreement and trust deed (as applicable);

(3) The required number of copies of the prospectus, offering memorandum or introductory document;

(4) A local debt issuer must also submit the following documents:

   (a) A copy of the "tombstone" advertisement, if one was published;

   (b) A signed copy of the auditors' letter on the accounts in a form acceptable to the Exchange, where an accountants' report is prepared for the purpose of the issue; and
(c) A certified copy of any relevant resolution(s) of the shareholders and a copy of any letters of approval from the Government, if applicable;

(5) In the case of a foreign debt issuer, the names and addresses of its representatives, with whom the Exchange may liaise in respect of future correspondence regarding the debt securities. The representatives must be easily contactable by the Exchange; and

(6) Such other documents (if any) as stipulated in the approval in-principle letter.

**PART VI CONTINUING LISTING OBLIGATIONS SEASONING OF DEBT SECURITIES**

316 A debt issuer is required to observe only the continuing listing obligations in Part VI of Chapter 7. It must also undertake to release information to the Exchange via SGXNET at the same time as such information is released to the home market and must comply with such other rules as may be applied by the Exchange from time to time (whether before or after listing). For the purposes of this Part, the following definitions apply:

(1) “Product Highlights Sheet” means a product highlights sheet relating to debt securities that meets the requirements under the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016.

(2) “re-tap” means an additional issuance of debt securities that have the same terms (except for price, original tenor, size and date of issuance) as the debt securities initially offered only to specified investors.

(3) “seasoning period” means the 6-month period from the date of listing on the Exchange of an issue of debt securities to specified investors which satisfies the requirements in this Part.

317 Debt securities initially offered only to specified investors may be made available for trading on the Exchange by non-specified investors after the seasoning period, subject to compliance with the provisions in this Part.

**Issuer and Guarantor Eligibility Criteria**

318 The issuer or guarantor must meet the criteria for exemption under the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016. For avoidance of doubt, the material date to measure the “look-back” periods under the criteria for exemption will be based on, as the case may be, the instances prescribed in Rule 319.

319 The issuer or guarantor must comply with the criteria referred to in Rule 318 at the following times, as applicable:
(1) at the time of application for the listing of the initial issuance of debt securities on the Exchange;

(2) at the time of application for confirmation that the debt securities are eligible for trading by non-specified investors; and

(3) at the time of application to list additional debt securities for offer to non-specified investors through a re-tap.

**Issue Requirements**

320 The issuer shall comply with the following:

(1) The issue of debt securities must have a minimum principal amount of at least S$150 million (or its equivalent in foreign currencies) in the initial issuance to specified investors;

(2) The debt securities issued shall be seasoned debentures as defined in the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016;

(3) The offer documents issued to specified investors shall be announced via SGXNET; and

(4) The offer documents referred to in Rule 320(3) and the Product Highlights Sheet shall be announced via SGXNET immediately upon receiving the Exchange's confirmation or approval-in-principle, as the case may be, in the circumstances under Rule 319(2) and Rule 319(3). Updated or supplemental offer documents must be issued to reflect material changes relating to the issuer or the terms of the debt securities.

**Re-taps for Seasoned Debt Securities**

321 If the issuer offers additional debt securities to non-specified investors through such re-taps, the aggregate principal amount of the offers through the re-taps must not exceed such amount specified in the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016. There is no cap on the amount of debt securities offered through a re-tap to specified investors.

**Disclosure Obligations**

322 (1) The issuer must state in bold on the front cover of the offer documents issued to specified investors, its intent to make the debt securities available for trading on the Exchange by non-specified investors.

(2) The issuer must disclose in the offer documents that:
(a) the debt securities cannot be sold to non-specified investors before the end of the seasoning period;

(b) the issuer may offer additional debt securities to non-specified investors through one or more re-taps and the aggregate principal amount of the offers through such re-taps will not exceed such amount specified in the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016;

(c) the issuer undertakes to immediately disclose information which may have a material effect on the price or value of its debt securities or on an investor’s decision whether to trade in such debt securities; and

(d) the issuer complies with the eligibility criteria in Rule 318.

PART VII CONTINUING LISTING OBLIGATIONS

323 An issuer shall immediately disclose to the Exchange via SGXNET any information which may have a material effect on the price or value of its debt securities or on an investor’s decision whether to trade in such debt securities.

324 An issuer shall immediately announce the following:

(1) the redemption or cancellation of the debt securities, when every 5% of the total principal amount of those securities (calculated based on the principal amount at the time of initial listing) is redeemed or cancelled;

(2) the details of any interest payment(s) to be made (except for fixed rate debt securities to which Rule 308 does not apply pursuant to Rule 308(2)); and

(3) any appointment of a replacement trustee.

325 In respect of debt securities where Rule 308 applies:

(1) if the issuer or, where there are guarantors, any of the guarantors, has its equity securities listed on the Exchange (referred to in this Rule as an “equity issuer”):

(a) subject to paragraph (b) below, the issuer shall announce via SGXNET the issuer’s and the guarantor’s consolidated profit and loss account and balance sheet in accordance with the timelines prescribed in Rule 705(2), Rule 705(3), Rule 707(1) and Rule 1207, prepared in accordance with Rule 220; and

(b) the issuer need not announce the consolidated profit and loss account and balance sheet of an entity that is not an equity issuer (referred to in this Rule as a “non-equity issuer”) if all of the following conditions are met:
(i) the debt securities are guaranteed by one or more guarantors;

(ii) the guarantee is full and unconditional;

(iii) where there is more than one guarantor, the guarantor are joint and several;

(iv) the profit and loss accounts and balance sheets of the equity issuer and that non-equity issuer are consolidated in accordance with Rule 220;

(v) the issuer announces via SGXNET the consolidated profit and loss account and balance sheet of the equity issuer in accordance with the timelines prescribed in Rule 705(3), Rule 707(1) and Rule 1207, prepared in accordance with Rule 220; and

(2) if the issuer and, where there are guarantors, all of the guarantors do not have their equity securities listed on the Exchange, a proposal shall be submitted for the Exchange’s approval of its proposed arrangements for the disclosure of their financial statements on SGXNET. The arrangements approved by the Exchange are to be disclosed via the offer documents.

326 An issuer shall release all announcements via SGXNET, unless specified otherwise.