

# CORPORATE GOVERNANCE AND SINGAPORE'S CAPITAL MARKETS

- (1) Overview
- (2) Recent developments in corporate governance in Singapore
- (3) Benefits of good corporate governance
- (4) Some practical difficulties
- (5) The path ahead

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- (2) Recent developments in corporate governance:
- From merit-based to market-driven, disclosure-based regime of regulation
- Local banks subject to more stringent governance requirements

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- (3) Benefits of good corporate governance:
- To maintain Singapore's competitive edge against other financial centers
- Increased access of funds, lower capital costs and higher investment levels for local firms
- Gains from: (a) macroeconomic perspective and (b) microeconomic perspective

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Some practical difficulties:

- Scarcity of qualified independent directors
- Compliance costs
- Proliferation of committees

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The path ahead:

- Continue to improve corporate governance
- Singapore will work out its own corporate governance structure
- Flexibility and adaptability
- But must be in line with international best practices