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
(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
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