

Indicative Timeline for an IPO (Singapore)

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An indicative timeline setting out the main steps for a company undertaking an initial public offering in Singapore with a listing on the Mainboard of the Singapore Exchange Securities Trading Limited. This Note covers both Singapore and non-Singapore issuers.

When advising on an initial public offering (IPO) in Singapore with international or cross-border aspects, it may be helpful for non-Singapore lawyers to understand when key actions will need to take place. This may be the case if:

- A Singapore company is conducting an IPO and listing in Singapore, and those advising on the sale of the securities in other jurisdictions want to be aware of the transaction timing expectations in Singapore.
- A non-Singapore company is conducting an IPO and listing in Singapore, and the company's home jurisdiction advisors want to understand the timing expectations in Singapore.

This Note highlights the key actions that take place and key documents that must be produced in preparation for an IPO in Singapore and provides an indicative timeline for an issuer conducting an IPO and listing on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX). This Note provides a general overview and is not exhaustive, therefore is not meant to replace specific Singapore law advice.

The securities of companies (whether incorporated in Singapore or elsewhere), business trusts, and real-estate investment trusts may be listed on the SGX, and the processes are fairly similar. However, this Note focuses on the primary listing on the SGX of the shares of an issuer that is a company.

The timeline does not cover internal actions and other pre-IPO preparation that the issuer must take to prepare to be a public company, such as:

- Corporate restructuring.
- Establishing corporate governance structures and policies (for example, board committees, conflict mitigation measures or insider trading, and other policies to ensure compliance post-listing).
- Finalising the composition of the board of directors (executive, non-executive, and independent directors) and key executive officers to form the management team.
- Setting up employee benefit plans.

Key Actions and Documents

The timeline below covers the following key actions or events that must occur and key documents that must be produced as the issuer prepares to conduct an IPO:

Appointment of Professional Parties and Kick-Off Meeting

An issuer seeking to list on the SGX generally initiates the listing process by appointing a financial institution to be its issue manager. The issue manager acts as a sponsor to prepare the issuer for listing and to manage the issuer's application for listing on the SGX (Part IV, Chapter 1, [SGX Listing Manual](#)).

The issue manager must be independent of the issuer because it must be able to provide the issuer with impartial and competent advice. To determine whether an issue manager is independent, the SGX considers the matters set out in Practice Note 2.1A of the SGX Listing Manual. As an example, an issue manager would not be considered independent if more than 20% of the gross proceeds raised from the IPO are to be used to reduce or retire credit facilities extended by the issue manager group.

The issuer must also appoint a number of other professional advisors in connection with the IPO. Under the [Listing Due Diligence Guidelines](#) of the Association of Banks in Singapore (ABS DD Guidelines), the issue manager should advise the issuer on the choice of suitably qualified and experienced advisors, considering both their suitability and independence. These advisors may include:

- Legal counsel (Singapore counsel and if necessary, foreign counsel).
- Accountants.
- Underwriting banks or placement agents.
- Other professionals, if necessary, such as independent financial advisors, internal control consultants, tax advisors, industry consultants, valuers, and public relations consultants.

During the kick-off meeting, the professional advisors are introduced to the management team of the issuer and briefed by the issue manager about the proposed timeline and allocation of the various workstreams to be undertaken in relation to the IPO. A management presentation is usually conducted for the professional parties to better understand the business and operations of the issuer.

Due Diligence Exercise

The Singapore counsel of the issuer and the Singapore counsel of the issue manager and underwriters, in consultation with the issuer and the issue manager, agree on the scope of due diligence required to be undertaken in connection with the IPO. This must comply with the requirements of the ABS DD Guidelines and the customary scope of legal due diligence undertaken for an SGX IPO, in light of the potential civil and criminal liabilities for material deficiencies in respect of prospectus disclosure under the [Securities and Futures Act 2001](#) (SFA).

Foreign counsel are then appointed in each relevant jurisdiction to undertake the necessary legal due diligence for all material group entities and assets.

Aside from legal due diligence, the issue manager also undertakes:

- **Financial and management diligence.** An iterative process where discussions are held with the management team of the issuer for management to respond to queries on, among other matters:
 - the issuer's corporate overview and history;

- business overview and strategy for each of the operating businesses;
 - key customers and suppliers;
 - industry and competitive landscape;
 - litigation and other disputes;
 - material assets (which may include physical or intangible assets like patents and trade marks); and
 - compliance with regulatory requirements for operations.
- **Directors, key executive officers, and controlling shareholders' due diligence.** Declaration forms and resumes are procured from each member of the proposed post-listing board of directors of the issuer, each key executive officer of the issuer, and the controlling shareholder(s) of the issuer. A private investigation firm is also engaged to undertake diligence and due diligence interviews are conducted with each person.
 - **Third party diligence.** Independent interviews are held with key customers and suppliers of the issuer group, auditors, and where relevant, industry consultants, valuers, independent financial advisers, and internal control consultants.
 - **Physical due diligence.** Site visits are undertaken for all material production facilities, properties, and material assets of the issuer group.

Prospectus Drafting

The offer of securities in connection with the IPO must be accompanied by a prospectus prepared in accordance with the requirements of section 243 of the SFA and lodged with and registered by the Monetary Authority of Singapore (MAS) (section 240(1), SFA). The prospectus is drafted by issuer's counsel, with the assistance of management and the other professional parties, and must contain all information that investors and their professional advisors would reasonably require to make an informed assessment of, among others:

- The rights and liabilities attaching to the shares of the issuer.
- The assets and liabilities, profits and losses, financial position and performance, and prospects of the issuer group.

The Fifth Schedule of the [Securities and Futures \(Offer of Investments\) \(Securities and Securities-based Derivative Contracts\) Regulations 2018](#) (SFR) sets out the particulars to be included in a prospectus for an offer of shares. It requires disclosure on, among others:

- Corporate, business, and operational information of the issuer.
- Risk factors (such as risks relating to the industry, operations, jurisdictions, and regulatory environment of the issuer's business, and risks relating to an investment in the shares).
- Directors, management, and shareholders.
- Audited financial statements for the last three financial years, and audited or reviewed financial statements for any interim period that have been prepared in accordance with the Singapore Financial Reporting Standards (International), [International Financial Reporting Standards](#), or [US Generally Accepted Accounting Principles](#). The financial statements must be accompanied by an audit report or, if applicable, a review report.

- The operating results and financial review of the financial statements and prospects and trends.
- Offering statistics and the use of proceeds.
- Underwriting documents and lock-up undertakings.
- Conflicts of interest and interested person transactions.

New Listing Application and Pre-Lodgment Review

- The prospectus drafting process is usually run contemporaneously with:
- The due diligence process.
- Preparation of the application documents to be submitted to the SGX as part of the new listing application.

The new listing application to be submitted to the SGX by the issue manager includes the following documents:

- Sections (A) and (B) of the listing admissions pack.
- Compliance checklists and the materially complete draft prospectus, with drafts of all reports to be appended, such as any industry report, independent financial advisor's letter, and auditor's reports on the financial statements.
- Resumes and declaration forms of the directors, key executive officers, and controlling shareholder(s).
- Auditor's confirmation regarding material internal control weaknesses.
- Draft constitution to be adopted by the issuer together with the relevant compliance checklist.
- Confirmations from the issue manager and the issuer in relation to compliance with the relevant rules of the SGX Listing Manual.
- Information relating to the lock-ups provided by existing shareholders of the issuer (also known as moratorium information).
- Requisite listing fees.

Compliance checklists and the draft prospectus are also submitted to the MAS for pre-lodgment review at or around the time of submission of the new listing application to the SGX.

As part of this confidential review process, the SGX and the MAS will review the documents submitted and provide several rounds of queries for the working group to respond to and where requested, make the necessary amendments or supplements to the disclosures in the draft prospectus accordingly.

Once the review and queries process has been completed to the satisfaction of the SGX, the SGX then issues an eligibility-to-list letter to inform the issuer that the issuer is eligible to be listed on the SGX, subject to certain conditions.

Research Reports and Blackout Period

In Singapore, pre-deal research can be disseminated to institutional investors, provided there is a research blackout of at least 14 days prior to the lodgment of the preliminary prospectus, and the other procedures set out under the SFA and the SFR are complied with.

The issue manager, underwriter(s) and other syndicate members licensed or otherwise permitted to issue research reports under the Financial Advisers Act 2001 of Singapore, generally prepare research reports concerning the issuer, and disseminate them after the eligibility-to-list letter is received (although there is no statutory requirement for the eligibility-to-list letter to have been received prior to dissemination).

Lodgment of the Preliminary Prospectus and Book-Building

Unlike the final prospectus, the preliminary prospectus lodged with the MAS can omit the information set out in the Second Schedule of the SFR. This information includes offering-related information such as:

- The offering price of the shares of the issuer.
- The number of offering shares that will be sold in the IPO.
- Timeline of the offering, closing, and listing of the shares.
- Other information that is derived from this offering-related information.

Once the preliminary prospectus has been lodged with the MAS, it is made available on the MAS' offers and prospectuses electronic repository and access (OPERA) system. This is an online resource that members of the public can access during the public exposure period. The public exposure period ends on lodgment of the final prospectus by the issuer for registration by the MAS. The final prospectus may be lodged for registration a minimum of seven days and a maximum of 21 days after the date of lodgment of the preliminary prospectus, unless an extension to 28 days is granted by the MAS.

During this public exposure period, the issuer (with the assistance of the underwriting banks) conducts roadshow presentations to institutional and accredited investors, and commences the book-building exercise.

Registration of Final Prospectus

Once the book-building process has been completed, and an offering price that is acceptable to the issuer and any selling shareholders in the offering has been determined in consultation with the underwriting banks, the underwriting agreement and share lending agreement (if any) are signed, and the offering-related information is inserted into the preliminary prospectus. The final prospectus is then lodged with the MAS for registration.

At the time of registration of the final prospectus, the underwriters receive disclosure letters from the counsel of the issuer and counsel of the underwriters, and a comfort letter from the auditors.

Public Offering and Placement

On registration of the final prospectus, the public offer in Singapore can be launched, and applications can then be made through the participating banks' ATMs, online banking websites, or physical application forms.

A minimum of 5% of the offering shares or SGD50 million in value (whichever is lower) must be allocated to the public offer (Rule 233A(1), SGX Listing Manual) and the offer period must be kept open for at least two market days, excluding the date of commencement of the offer (Rule 242, SGX Listing Manual).

The application forms and placing letters are also sent out by the underwriting banks to investors (in Singapore and elsewhere) under the placement tranche of the offering. As required by the SGX Listing Manual, there are also certain limitations in respect of allocations of more than 25% of the placement tranche to the issue manager, underwriting banks or their connected clients. To provide for an orderly secondary market in the trading of the shares post-listing, other shareholding spread and distribution requirements must be complied with.

At the close of the offering, the underwriters receive disclosure letters and customary form closing opinions from the counsel of the issuer and counsel of the underwriters, and a comfort letter from the auditors.

Listing

After the close of the offering and if required, the balloting process, the shares of the issuer are deposited with the Central Depository of Singapore for the purposes of the listing, and to facilitate scripless trading. The listing of the shares and trading can then commence.

Stabilisation

A stabilising manager may be appointed by the issuer to undertake stabilising action post-listing that complies with the requirements of the [Securities and Futures \(Market Conduct\) \(Exemptions\) Regulations 2006](#) (Market Conduct Regulations).

As stipulated by the Market Conduct Regulations, the stabilising manager can take stabilising action only after it is reasonably satisfied that the price of the shares of the issuer is not false or misleading, and can continue with the stabilising action only after it is reasonably satisfied that the price has not become false or misleading other than due to any stabilising action.

The maximum price at which stabilising action can be taken is the offering price. The maximum total number of shares that the stabilising manager can buy in the course of stabilisation is 20% of the total number of offering shares (prior to any over-allotment).

The stabilising period commences at the start of the trading of the shares on the SGX and ends the earlier of:

- 30 days after the listing date.
- The date on which the stabilising manager has bought the maximum number of stabilising shares in the course of stabilisation.

At the close of the over-allotment, the underwriters receive customary form closing opinions from the counsel of the issuer and counsel of the underwriters, and a comfort letter from the auditors.

Indicative Timeline

Below is an indicative timeline for an IPO with a listing on the Mainboard of the SGX. It assumes:

- The issuer is applying for a primary listing on the Mainboard of the SGX, and it has not been listed and is not currently planning to list on any other exchange.
- The SGX considers the listing applicant, its business and management team suitable for listing, and the listing applicant fulfils the applicable listing requirements.

- There are no common factors that may cause timeline delays (see [Common Factors That Cause Timeline Delays](#)).
- The issuer is not a mineral, oil and gas company, life science company or a company that will have dual class shares post-listing as these companies are subject to additional requirements.
- The issuer and the issue manager respond to the queries of the SGX and the MAS within a reasonable period during the review process.
- The prospectus includes all required information and reports, and complies with the SFR.

DATE	ACTION
(A=Date of Admission)	
A - 21 to 23 weeks	<ul style="list-style-type: none"> • Kick-off meeting • Commencement of legal and financial due diligence • Commencement of prospectus drafting • Commencement of preparation of audited financial statements • Commencement of preparation of new listing application documents
A - 16 weeks	<ul style="list-style-type: none"> • Completion of due diligence • Verification of preliminary prospectus
A – 15 weeks	<ul style="list-style-type: none"> • Submission of new listing application and pre-lodgment review (Assuming a review period by SGX and MAS of between 6 to 10 weeks)
A – 5 weeks	<ul style="list-style-type: none"> • Receipt of eligibility-to-list letter from the SGX and completion of pre-lodgment review by the MAS • Issuance of research reports
A – 3 weeks	<ul style="list-style-type: none"> • Lodgment of preliminary prospectus (Assuming minimum of 7 days of public exposure) • Launch of bookbuilding period
A – 2 weeks	<ul style="list-style-type: none"> • Pricing and signing of underwriting agreement and share lending agreement (if any) • MAS registration of final prospectus • Launch of public offer
A	<ul style="list-style-type: none"> • Listing

	<ul style="list-style-type: none"> • Commencement of stabilisation
A + 30 days	<ul style="list-style-type: none"> • If not already ended, end of stabilisation

Common Factors That Cause Timeline Delays

The indicative timeline and process can be impacted by a variety of factors which may cause minor to significant delays of weeks or even months. Early awareness of and attention to these factors may help to mitigate the delays.

Material Legal Due Diligence Issues

If the proposed issuer group to be listed includes a significant number of operating or asset-owning subsidiaries incorporated in a wide range of jurisdictions, time must be spent engaging and liaising with foreign counsel to agree on the scope of work, and reviewing the legal due diligence reports and findings prepared by the foreign counsel.

Novel or jurisdiction-specific due diligence issues may arise, such as issues related to:

- The ownership of assets (real property or otherwise).
- Regulatory approvals.
- Other regulatory issues relating to the operations of the issuer and the proposed IPO.
- Foreign ownership limits and structuring to comply with these limits.

As all material due diligence issues must be resolved before the submission of the new listing application. If any material due diligence issue discovered during the due diligence process cannot be resolved before listing, the issue manager may decide that the issue warrants pre-clearance with the SGX. This can lead to delays to the initially planned timeline for the submission of the new listing application.

If there are material due diligence issues that cannot be resolved, mitigating measures may also take time to be implemented. The risks and proposed mitigating measures must be disclosed in the prospectus, and educating professionals and investors about these material diligence issues may lead to additional delays.

Diligence issues may also be uncovered during private investigation diligence in relation to the group, proposed directors, key executive officers or controlling shareholders, or major customers and suppliers of the group. As these issues may involve third parties that are not a part of the issuer group, significant time can be spent trying to better understand the issue and propose the necessary solutions that are acceptable to the third parties for the IPO to proceed.

Material Changes to the Proposed Issuer Group During the Transaction

Board of Directors, Key Executive Officers or Controlling Shareholder(s)

Private investigation diligence and completion of the relevant diligence declarations are time-consuming, and a late addition or alteration to the slate can cause a delay in submission of the new listing application.

Acquisitions or Divestments from the Proposed Issuer Group

Legal due diligence must be undertaken in respect of new acquisitions to the proposed group during the course of the transaction. The financial statements of the group may also need to be adjusted for acquisitions and divestments, and to the extent the pro forma thresholds in the SFR are triggered, pro forma financials must be prepared and a report from the auditor appended to the prospectus. The auditors may also need to re-audit or review the underlying financial information of the proposed acquisition for this financial information to be included in the group financial statements or pro forma financial statements, respectively, and this process takes time and is likely to cause a delay.

New or Novel Industries or Product Types

Examples include:

- Issuers that focus on digital or other novel assets or businesses.
- Newly introduced frameworks, such as when the SGX introduced the Special Purpose Acquisition Companies listing framework in 2021 or the Dual Class Shares listing framework in 2018.

As with most newly introduced product classes, professionals and investors must be educated on this, and this education is time-consuming and can cause delays.

Financial Information

Underlying Financial Information

Where the auditors appointed to prepare the audited financial statements for the IPO are not the historical auditors of the issuer group, and there are issues with the underlying financial information required to prepare the consolidated or combined financial statements, they may require additional time to undertake the audit.

Need to Refresh

To the extent that there are delays to the timeline, financial information to be included in the prospectus may also need to be updated to ensure that the audited financial statements for the last three financial years, and any reviewed or audited interim financial information as required by the SFR are included.

END OF DOCUMENT
