

Changes to Mandatory Training Requirement for First-time Directors of SGX-listed Issuers

Singapore Exchange Regulation (**SGX RegCo**) has recently amended [Practice Note 2.3 \(Training for Directors with No Prior Experience\)](#) of the Singapore Exchange (**SGX**) Listing Rules (Mainboard) and [Practice Note 4D \(Training for Directors with No Prior Experience\)](#) of the SGX Listing Rules (Catalist) (collectively, **Practice Notes**) to introduce: (a) a new training provider for the prescribed training that a director who has no prior experience as a director of an issuer listed on the SGX (**First-time Director**) must undergo; and (b) additional training requirements for a First-time Director of a SGX-listed real estate investment trust (**REIT**) who has no prior experience as a director of a REIT manager. These changes took effect on 1 February 2024.

Background

Mandatory training for First-time Directors was first introduced in 2018, with [Rule 210\(5\)\(a\)](#) of the SGX Listing Rules (Mainboard) and Rule 406(3) of the SGX Listing Rules (Catalist) being amended (with effect on 1 January 2019) to require a First-time Director to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX. At that time, the only prescribed training programme as set out in Schedule 1 to Practice Note 2.3 (Mainboard) / Practice Note 4D (Catalist) was the “Listed Entity Directors (**LED**) Programme” conducted by the Singapore Institute of Directors (**SID**).

A First-time Director was to complete four mandatory modules (LED 1 to 4), as well as attend up to four additional elective modules where relevant to his / her appointment on the board of the issuer (LED 5 to 8 cover: (a) audit committee; (b) board risk committee; (c) nominating committee; and (d) remuneration committee). With effect from 1 January 2022, pursuant to the introduction of the new Rule 720(7) (Mainboard) / Rule 720(6) (Catalist) on sustainability training, the Practice Notes were amended to introduce a fifth mandatory module (LED 9: *Environmental, Social and Governance Essentials*) as part of the programme.

Based on public information, the SID typically conducts up to [four runs](#) of this programme in each calendar year, including one conducted in Mandarin Chinese. To facilitate learning by participants unable to attend in person, the SID typically conducts around two of the four runs *via* “live” virtual, interactive sessions.

New Training Provider – Combination of Pre-recorded E-learning and In-person Sessions

With effect from 1 February 2024, the Practice Notes have been amended to include a new “Board of Directors (BOD) Masterclass Programme” to be conducted by the Institute of Singapore Chartered Accountants and SAC Capital (**ISCA-SAC**), as an alternative to the SID’s.

Based on [information published by the ISCA](#), this new programme will involve a blended learning approach, comprising 17 hours of recorded e-learning modules (mandatory) and 13 hours of in-person facilitated sessions (four hours of mandatory modules conducted on the same day and three optional modules of three hours each, covering the: (a) audit committee; (b) board risk committee; and (c) nominating and remuneration committees, conducted on three different days). The use of recorded e-learning modules for the majority of the mandatory training will enable busy directors to learn at their own time and pace.

Pursuant to the amended Practice Notes, a First-time Director can therefore choose to attend either:

- (a) LED Programme conducted by the SID, under which the director must attend all core modules, and all elective modules relevant to his / her appointment on the board of the issuer; or
- (b) BOD Masterclass Programme conducted by the ISCA-SAC, under which the director must attend all mandatory classes and modules, and all optional classes and modules relevant to his / her appointment on the board of the issuer.

New Additional Training Requirement for First-time Director of REIT Manager

A First-time Director of a REIT manager (i.e., one who has no prior experience as a director of a REIT manager of an SGX-listed REIT and is appointed on or after 1 February 2024) must also attend the “Essentials for Directors of REIT Managers” programme conducted by the REIT Association of Singapore (REITAS). This is in addition to the prescribed training by the SID or the ISCA-SAC. Based on [information published by REITAS](#), this programme is a one-day in-person course.

Timeline and References

There has been no change to the timeline for a First-time Director to complete the prescribed training. The prescribed training (whether conducted by the SID, the ISCA-SAC, or the REITAS) must be completed within one year from the date of his / her appointment to the relevant board. If any First-time Director of an issuer which is newly listed on the SGX has not attended the prescribed training, he / she must complete the prescribed training by the end of the first year of the issuer’s listing on the SGX.

If an issuer is aware that any of its directors is, for any reason, unable to comply with the prescribed training timeline, the issuer should consult with its SGX Listing Compliance officer without delay, as an appropriate extension of time waiver will need to be submitted. However, in view of the introduction of the ISCA-SAC as an additional training provider (which utilises recorded e-learning modules for the majority of its mandatory modules), and given that the SID also conducts some of its programme runs completely virtually, it would be significantly more challenging for a First-time Director to attempt to attribute his / her inability to complete the prescribed training within the given year to scheduling or travel constraints. Issuers and directors are therefore advised to plan well ahead to avoid non-compliance with [Rule 210\(5\)\(a\)](#) of the SGX Listing Rules (Mainboard) / Rule 406(3) of the SGX Listing Rules (Catalist).

Concluding Remarks

Understandably, directors often have packed schedules, and may face some difficulty attending or completing the prescribed training. The SGX’s introduction of the ISCA-SAC as a new training provider for First-time Directors, and in particular, the use of pre-recorded e-learning modules as part of the training, may help to address this constraint. The introduction of a new, additional training requirement for First-time Directors of REITs recognises that REITs are indeed different constructs from listed companies, and that REIT directors must also be familiar with the regulations, taxation, accounting and management requirements unique to REITs.

Gentle Reminder for upcoming General Meetings of Listed Issuers

In addition to planning ahead for training for First-time Directors, we thought it would be useful to remind all SGX-listed issuers that upcoming general meetings for 2024 should be held either in a wholly-physical or a

hybrid format. Fully-virtual general meetings are now no longer permissible under Practice Note 7.5 (Mainboard) and Practice Note 7E (Catalist). There is no requirement for an SGX-listed issuer to convene a hybrid general meeting. The SGX recognises that companies and shareholders have many different needs, and technology and the hybrid meeting ecosystem in Singapore are still evolving. So, for now, the SGX has left it up to listed issuers to consider whether they wish to add virtual capabilities to their physical general meetings, having regard to the size of their shareholder bases, and how best to facilitate shareholder engagement. See [Practice Note 7.5](#), [Practice Note 7E](#), and [the letter from SGX RegCo to the editor of the Business Times dated 3 March 2023 titled "Physical general meetings to resume as default for listed companies"](#) for further details. For SGX-listed issuers which are considering hybrid formats for its general meetings, please refer to the [Standards for Vendors of Virtual/Hybrid General Meeting Systems](#) published by SGX RegCo, the SID, and the Chartered Secretaries Institute of Singapore on 24 November 2022 (discussed in our previous update, [Alternative Arrangements for Conducting Electronic General Meetings to be Revoked on 1 July 2023](#)). Those standards contain requirements and recommendations for the design, implementation, provision, maintenance, and improvement of systems that enable the holding of hybrid general meetings.

If you would like information and/or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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