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(Attention: Listing Policy & Product Admission)

Delivery by email: listingrules@sgx.com

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Your ref.: [Reference]
Our ref.: OKG

Possible Listing Framework for Dual Class Share Structures

We refer to your Consultation Paper of 16 February 2017 on a Possible Listing Framework for Dual Class Share Structures, and would like to take this opportunity to thank you for the opportunity to contribute our perspectives.

Norges Bank Investment Management is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Norwegian Government Pension Fund Global. The fund was invested in asset of USD 873 billion as of the end of 2016 of which USD 2.7 billion (SGD 3.9 billion) was invested in equities listed in Singapore.

We are a globally diversified investment manager with an equity portfolio consisting of minority stakes in listed companies. We have a substantial presence in all major equity markets globally, including in Asia, and we are a member of the Asian Corporate Governance Association (ACGA). We regard the protection of minority shareholder rights as a necessary requirement to safeguard and promote the fund's financial interests. As such, issues concerning the treatment and rights of different shareholders are of interest to us.

With regard to Question 1 (overall framework of dual class share structures), we advise against the admission of companies with dual class share structures on the Singapore main market. The Singapore market today stands out as a high-quality market place characterised by strong protection of shareholders. This competitive advantage for Singapore as a financial hub will be significantly diluted should the SGX open up for lower-quality corporate governance and weaker shareholder protection on the main market.

We recognise that there is an international competition for stock market listings. However, we caution against responding to this competition by lowering the quality standards of markets, such as the protection of shareholders.

With regard to Question 2 (additional listing criteria for dual class share structures), we believe that the three possible listing criteria mentioned (a-c) will not provide effective safeguards against weakening shareholder rights in the longer term.

Norges Bank Investment Management is a part of Norges Bank – The Central Bank of Norway

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If companies with dual-class share structures were to be admitted, they should be listed on a separated secondary market, where it is made clear to market participants that they have to accept lower-quality corporate governance, with distinctly weaker protection of shareholder rights. Only in this context would the additional listing criteria mentioned above be appropriate.

We believe that dual class share structures will lower the standards of the Singapore Exchange and undermine your ability to compete globally for equity listings.

We remain at your disposal should you like to discuss these matters further.

Yours sincerely


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