

ASEAN scorecard unveiled



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Singapore Corporate Awards Seminar 2014

The Ritz Carlton Hotel,
Millenia Singapore
Monday, 19 May 2014
10.00am to 3.45pm

D R I V I N G
EXCELLENCE
IN CORPORATE GOVERNANCE

Guest of Honor: Mrs Josephine Teo
Senior Minister of State of Ministry of Finance and Ministry of Transport

CONFERENCE PROGRAMME

Welcome: What's up with the Singapore Corporate Awards?
Alvin Tay, *The Business Times*

Keynote: Getting It Right and Wrong in Corporate Governance
Sir Howard Davies, *Financial Services Authority (UK)*

Panel: Corporate Governance in Action
Willie Cheng, *Singapore Institute of Directors*
Chew Choon Seng, *Singapore Exchange*
Sir Howard Davies, *Former Deputy Governor of the Bank of England*
Gerard Ee, *Institute of Singapore Chartered Accountants*
Hsieh Fu Hua, *Stewardship & Corporate Governance Centre*
Lee Suet Fern, *Stamford Law Corporation*

Panels on Achieving Corporate Governance Excellence

Best Managed Boards
John Lim Kok Min, *SID*
Na Boon Chong, *AON Hewitt*
Glennle Sim, *Mencast Holdings*
Tan Eng Liang, *UE E&C*

Best CFOs and CEOs
Ernest Kan, *ISCA*
Choo Chek Siew, *ComfortDelGro*
Chng Sok Hui, *DBS Group*
Gauri Lakhanpal, *Egon Zehnder*
Liew Mun Leong, *CapitaLand*

Best Annual Reports and Investor Relations
Kevin Kwok, *SID*
Eleanor Lee, *EY*
Jeannie Ong, *StarHub*
Tan Chin Hwee, *Apollo Global Management*
Kenny Yap, *Qian Hu Corporation*

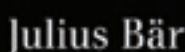
Financial Reporting Surveillance
Bong Yap Kim, *ACRA*
Cheng Ai Ping, *DT*
Kenneth Yap, *ACRA*

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Governance scored and ranked



By **WILLIE CHENG**
Chairman, SID

As we enter the second quarter and the AGM season, most publicly listed companies, or PLCs, are accounting to their shareholders on their corporate governance and financial performance.

This year, though, there is an added buzz: companies will likely reflect improvements in corporate governance as the revised Code of Corporate Governance effectively kicks in for this year's annual reports.

Beyond AGMs and shareholders, corporate governance efforts are being assessed in other quarters.

One of this is the ASEAN Corporate Governance Scorecard that grades the top 100 PLCs in Singapore and five other ASEAN countries on a common platform based on international best practices.

The vision of the Scorecard is to rank top PLCs across ASEAN as part of an effort to brand ASEAN as an asset class. This cross-ranking may happen next year. It is therefore imperative that Singapore PLCs understand the criteria and best practices embedded in the Scorecard.

To boost awareness, SID and the Centre for Governance, Institutions and Organisations of the NUS Business School held a forum to outline the methodology of the scorecard and announce the 2013 Singapore results.

Check out how Singapore companies fared and what assessors identified as areas for further improvement on page 6.



DIRECTIONS

Companies can also be recognised for excellence in corporate governance by way of the Singapore Corporate Awards. Organised by The Business Times, Institute of Singapore Chartered Accountants, and SID, the awards celebrate the best in corporate governance among SGX listed companies. Each of the five categories of "best" awards – Best Board, Best CEO, Best CFO, Best Investor Relations, and Best Annual Report – focuses on specific aspects and perspectives of corporate governance.

Nominations for these awards closed on 31 March. The shortlisting, assessments and company visits are currently underway, and the results will be announced at a gala dinner in July.

As a prelude to the awards dinner, we are organising a seminar entitled *Driving Excellence in Corporate Governance*. The seminar, on 19 May, will examine the winners over the past eight years and what makes for excellence in corporate governance.

Measuring and achieving excellence has long been a mantra in many quarters, but is now gaining traction in the field of corporate governance, not just in Singapore but also in the region. This can only be a good thing for directors as it increases the relevance of the role we play and the work we do to ensure that companies continue to create value for their stakeholders.

Happy scoring. ■

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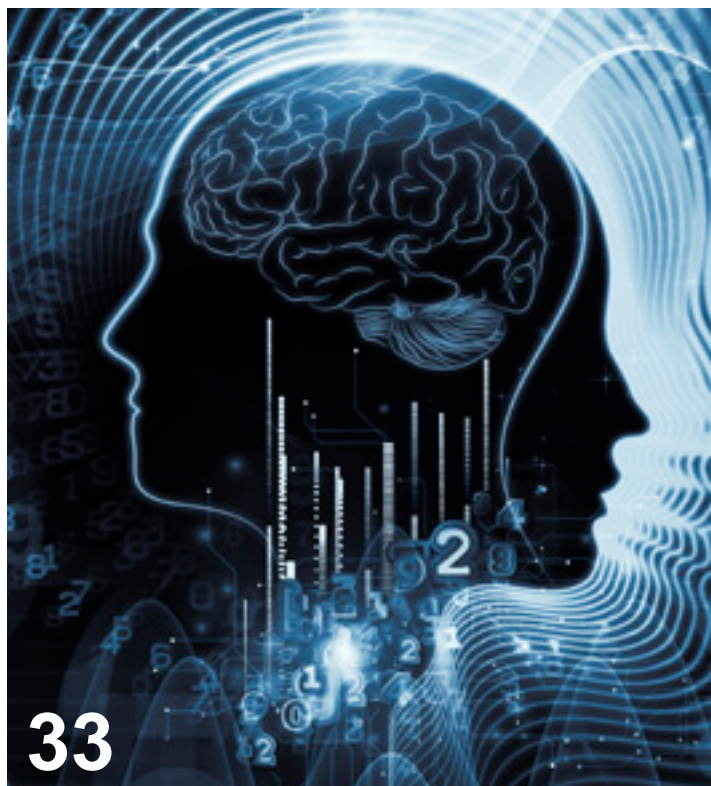
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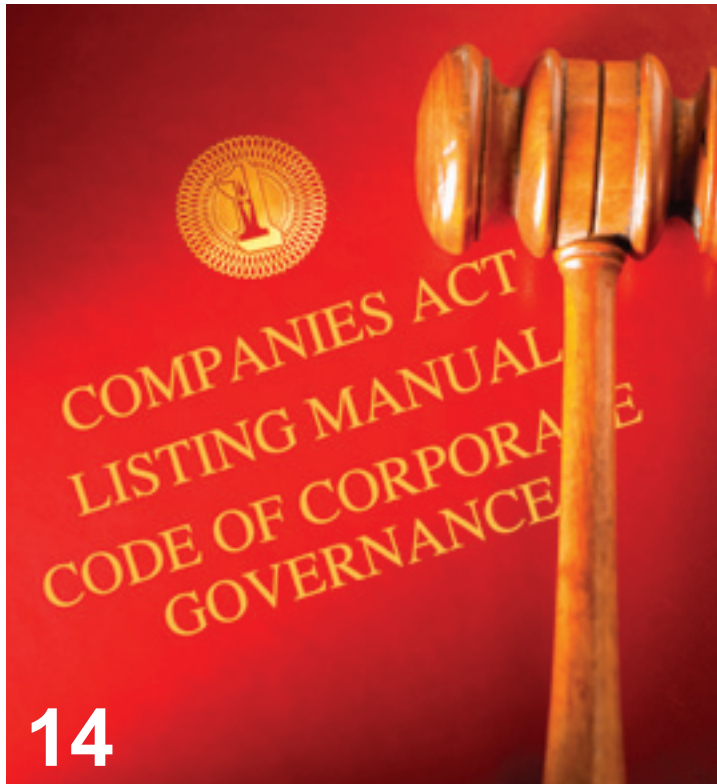
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Scoring better in ASEAN corporate governance

Singapore publicly listed companies scored the largest improvement in the recently unveiled ASEAN Corporate Governance Scorecard 2013. Yet there are areas for improvement.

Market Capitalisation* of ASEAN Exchanges

Thailand
US\$459b (SET)

Vietnam
US\$42b (HNX+HOSE)

Philippines
US\$324b (PSE)

Malaysia
US\$494b (Bursa)

Singapore
US\$811b (SGX)

Indonesia
US\$504b (IDX)

**As of end April 2013*

Singapore publicly listed companies, or PLCs, have scored relatively well in the 2013 ASEAN Corporate Governance Scorecard.

The Scorecard is an effort to provide a common framework for assessing the corporate governance of PLCs across ASEAN. Six ASEAN countries, namely Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, are participating in this ranking exercise.

The Scorecard was started in 2011 by the ASEAN Capital Markets Forum and the Asian Development Bank (ADB).

Although yearly assessments had been performed since 2011, the Scorecard was presented to Singapore's corporate community for the first time on 4 April at a forum jointly organised by SID and the Centre for Governance, Institutions

& Organisations (CGIO) of the NUS Business School. SID and CGIO were appointed by the Monetary Authority of Singapore (MAS) as the Domestic Ranking Body for Singapore for 2013.

Regional Scorecard

The Scorecard seeks to assess the top 100 PLCs by market capitalisation in each participating country based on five weighted components:

- Rights of shareholders (10%)
- Equitable treatment of shareholders (15%)
- Role of stakeholders (10%)
- Disclosure and transparency (25%)
- Responsibilities of the board (40%)

These five areas add up to 100 points and make up Level 1 of the Scorecard. Level 2 gives bonus and penalty points that could add a further 42 points to the score, or remove 53 points from it.





From left: Lawrence Loh (CGIO), John Lim (SID), Mohd Sani bin Mohd Ismail (ADB), Richard Teng (SGX), Piyush Gupta (DBS), Daniel Ee (SID).

“The use of two levels of scoring is designed to better capture the actual implementation of the substance of good corporate governance,” explained John Lim, Immediate Past Chairman of SID and the Singapore CG Expert to the ASEAN Scorecard Working Group.

“Level 1 comprises items that are indicative of the law, regulations and CG codes of each ASEAN member country as well as the basic expectations of the OECD Principles which drives a large part of the Scorecard. Level 2 goes further to provide bonus points for going beyond good practices and penalty points for actions and events indicative of poor governance.”

Singapore PLCs scored an average of 71.7 points, an improvement of 29% over the previous year’s average of 55.7 points.

Mr Lim attributed this improvement to two factors: “First, there was some updates to the methodology and an increase in the overall maximum score. For example, there was a maximum score of 142 points in 2013 compared to 117 in 2012. At the same time, many

companies have improved their disclosures on corporate governance practices in line with the requirements of the revised 2012 Code of Corporate Governance.”

Singapore PLCs occupy four of the top ten regional positions and 19 of the top 50 positions across ASEAN in 2013. In contrast, no Singapore PLC made it to the top ten, and only five made it to the top 50 in 2012.

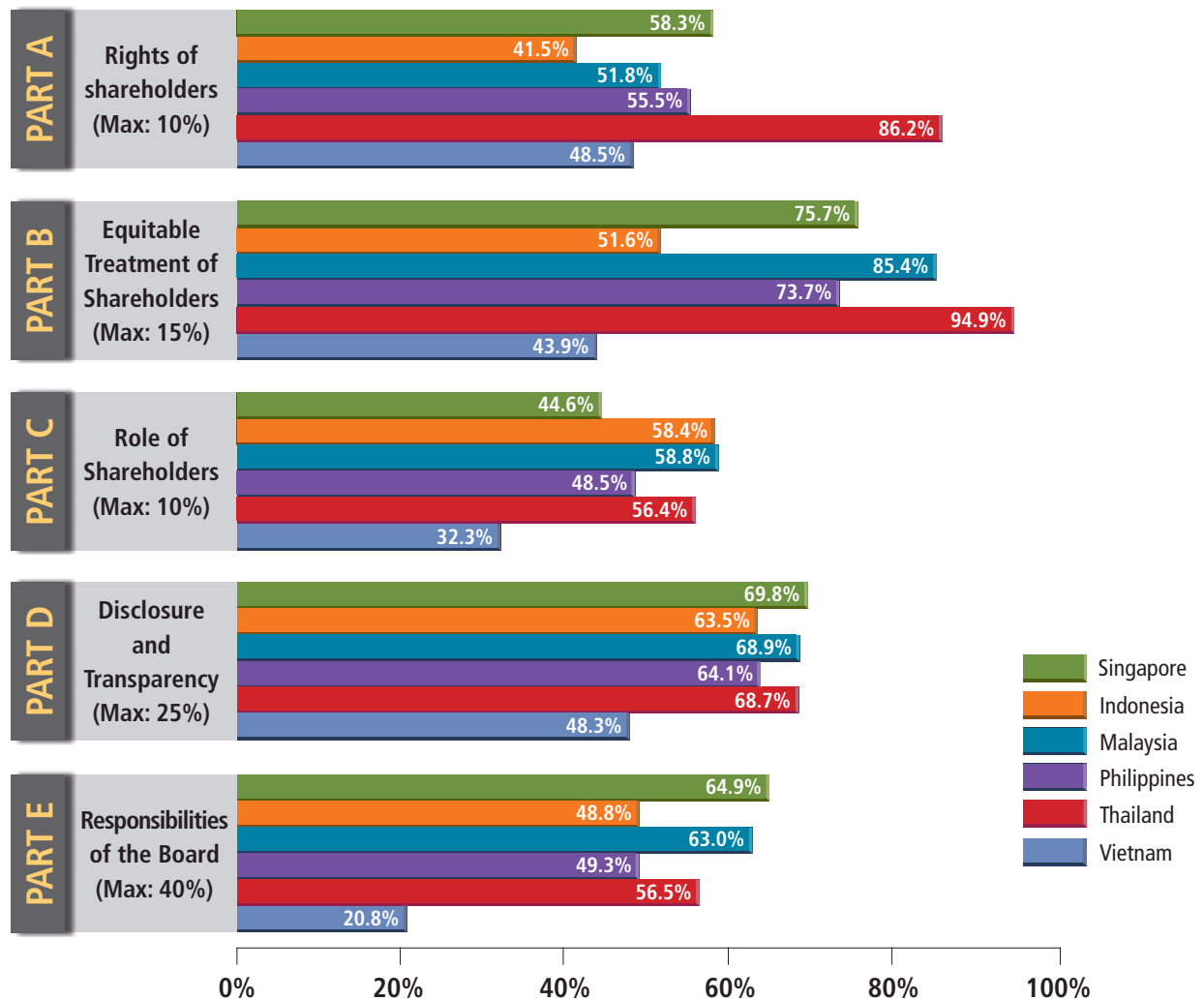
He noted that the top scorer in the corporate governance scorecard – with 105 points out of the 142 maximum possible – was a Singapore company though the organisers declined to name it.

Overall, the relative rankings were consistent with the results of other benchmarks such as the World Economic Forum’s Competitiveness Report (2011-2012) where Singapore was recognised as having the best corporate boards in Asia, and the Asian Corporate Governance Association’s CG Watch 2012 where Singapore PLCs had the “best corporate governance performance in Asia.”

story continues on Pg 12

Drilling down

Aggregate 2013 Scores of PLCs in ASEAN Countries



Singapore publicly listed companies came off pretty well in the 2013 ASEAN Corporate Governance Scorecard released on 4 April 2014.

Singapore PLCs topped the region in two of five categories that make up Level 1 of the scorecard: Disclosure and Transparency, and Responsibilities of the Board. However, there was little progress in the other three sections. In fact, for Equitable Treatment of Shareholders, the scores went down marginally.

Rights of Shareholders

Here, Thailand scored the best by far. However, while Singapore PLCs were a distant second, they scored better than in 2012.

More PLCs conducted voting by poll instead of by a show of hands. PLCs also did well in the administration of AGMs. However, many did not publish detailed minutes of the AGM proceedings, and the records often did not include questions and answers or the list of

board members who attended. More importantly, many PLCs did not disclose details relating to the voting process and vote tabulation procedures used, as well as whether there was third-party validation of votes.

Equitable Treatment of Shareholders

While Singapore PLCs lagged behind their peers in Thailand and Malaysia, they were not far behind.

They had done well over the past two years in providing adequate and timely notices of their AGMs. The Singapore PLCs avoided bundling multiple resolutions in their AGM agenda. More PLCs disclosed the final amount payable in their reports where dividends were declared.

However, more PLCs can provide detailed explanation of their dividend policy and include at least a basic profile of directors seeking election or re-election in these materials. In addition, more Singapore PLCs should disclose that their Related Party Transactions are executed on fair terms and at arm's length regardless of their nature or size if they wish to improve their future scores.

Role of Stakeholders

Here, Singapore PLCs lagged behind all the other countries except for Vietnam. The Malaysian PLCs scored the best.

Singapore PLCs however made steady progress in relation to the last year. There was substantial improvement in the number of PLCs publicly disclosing policies and efforts in areas such as customer welfare, employee welfare, and staff training and development.

Going forward, the scores might improve as SGX plans to set up a committee to encourage PLCs to disclose their sustainability initiatives. It has published a Guide to Sustainability Reporting for Listed Companies in 2011, followed by an

Investors' Guide to Reading Sustainability Reports in May 2013. The 2012 Code also recommended that boards consider sustainability issues – environmental and social factors – in strategy formulation.

Disclosure and Transparency

Singapore PLCs scored the best in the region for Disclosure and Transparency, but only marginally so.

Singapore PLCs can still provide even more comprehensive annual reports by including details such as corporate objectives and non-financial performance indicators.

Responsibilities of the Board

Here Singapore PLCs made the most improvement from last year to top the region this year.

This is partly due to revisions in the SGX Listing Rules in 2011 and the Code of Corporate Governance in 2012.

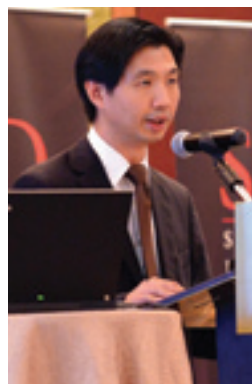
Singapore PLCs scored better in the area of board structure, especially on board independence. Most boards had independent directors making up half of their boards, an improvement from last year. There was also a decrease in the number of independent directors holding more than five directorships, as well as a decrease in the number of executive directors holding more than two directorships.

All Singapore PLCs have three subcommittees for audit remuneration and nominating. Most of these committees are filled with independent directors, including the committee chairmen.

Moving forward, there should be formal annual evaluation of CEOs and individual board members. There is also generally poor disclosure on detailed remuneration of Executive and Non-Executive Directors, as well as details of succession planning for senior management. ■

However, on a more granular basis, the relative scores also show that Singapore companies lag behind with regards to shareholder rights, equitable treatment of shareholders and the role of stakeholders. (see “Drilling Down” on page 10).

ASEAN as an Asset Class



In his guest-of-honor address, MAS Executive Director (Markets Policy & Infrastructure) Ng Yao Loong, highlighted that capital market developments have resulted in more complex relationships between companies and investors.

He called for collective efforts such as the ASEAN Corporate Governance Scorecard “to showcase and enhance the visibility, as well as investability, of well-governed ASEAN PLCs internationally.”

ADB’s Mohd Sani Ismail, the Mission Leader for ASEAN Capital Market Integration, and the keynote speaker at the event, said that the overall purpose of the ASEAN Scorecard was to use corporate governance to brand ASEAN as an asset class, thereby “raising the profile of ASEAN to attract greater investment to the region.”

“Individually, the ASEAN countries are small in the global market place,” he explained. “Even Singapore Exchange, which has the largest market cap in ASEAN, is only US\$811 billion compared to the Shanghai Stock Exchange which has a market cap of US\$2.5 trillion. At least, the ASEAN-5 markets will collectively have a market cap of US\$2.4 trillion. But that is only 6% of the global market.”

However, Mr Ismail’s notion of “branding ASEAN as an investable asset class” was questioned by some panellists at the forum.



Group CEO of DBS Bank, Piyush Gupta, and who had been involved with the ASEAN Capital Markets Forum said that investors will still be looking at individual countries. “Even in Europe, with EC integration, investors see Germany and German companies differently from say, Greece and Spain, and the other European countries.”

SID Council member Daniel Ee, and panel chairman summarised the debate by noting that it will be some time, if ever, that ASEAN is looked upon as a single asset class, but even if it is not, the Scorecard will have the effect of levelling up corporate governance standards and hence the investability of the ASEAN PLCs. “Over time, this will only increase the attractiveness of the individual ASEAN PLCs and countries.”

Singapore Scorecard

Associate Professor Lawrence Loh of NUS Business School presented the Singapore Country report at the forum.

The top 50 Singapore PLCs were presented in alphabetical order (see Singapore Top 50 on page 13).

The top five scorers among Singapore PLCs (in alphabetical order) were: DBS, OCBC, SGX, SPH and SingTel.

Professor Loh highlighted some of the key findings for the Singapore PLCs:

- Singapore PLCs made the most improvement in the section “Responsibilities of the Board”, which may be due to regulatory changes.
- Most PLCs have independent directors that made up at least 50% of their Boards.
- Whistle-blowing policies and procedures were disclosed in over 90% of companies for employees, but access for other stakeholders was not as obvious.

- Most companies conducted annual board evaluations, but many do not appear to conduct formal evaluations of CEOs and individual board members.
- AGM minutes for most Singapore PLCs' showed inadequate documentation of questions and answers.
- Few companies disclosed a policy that explains supplier/contractor selection practices in spite of the huge potential monetary values involved.
- Singapore PLCs can further improve their disclosure and transparency practice by posting their dividend policy for easy review by stakeholders.

In the panel discussion that followed, panellists were asked how they reconciled the ASEAN Scorecard which were based on regional best practices and the OECD principles of corporate governance, with the Singapore Code of Corporate Governance and other local regulations.

Richard Teng, Chief Regulatory Officer of SGX felt that the principles were similar, and that there will be greater convergence over time. He and the other panellists felt that that there would be value in extending the Scorecard assessments beyond the 100 PLCs. ■

Singapore's Top 50*

Top 5*

DBS Group Holdings Ltd
Oversea-Chinese Banking Corp
Singapore Exchange Ltd
Singapore Press Holdings Ltd
Singapore Telecommunications Ltd

ARA Asset Management Ltd
Biosensors International Group Ltd
Bukit Sembawang Estates Ltd
Bumitama Agri Ltd
CapitaLand Ltd
CapitaMalls Asia Ltd
China Aviation Oil (S) Corp Ltd
China Fishery Group Ltd
City Developments Ltd
ComfortDelGro Corp Ltd
Del Monte Pacific Ltd
Fraser and Neave, Ltd
Global Logistic Prop Ltd
Great Eastern Holdings Ltd
Haw Par Corp Ltd
Hong Leong Finance Ltd
Keppel Corp Ltd
Keppel Land Ltd
Keppel Telecommunications & Transportation Ltd

M1 Ltd
Metro Holdings Ltd
Neptune Orient Lines Ltd
Noble Group Ltd
Olam International Ltd
SATS Ltd
Sembcorp Industries Ltd
Sembcorp Marine Ltd
Sheng Siong Group Ltd
SIA Engineering Co Ltd
Singapore Airlines Ltd
Singapore Post Ltd
Singapore Technologies Engineering Ltd
SMRT Corp Ltd
Starhub Ltd
Stats ChipPac Ltd
Tat Hong Holdings Ltd
Thai Beverage Public Co Ltd
Tiger Airways Holdings Ltd
United Engineers Ltd
United Overseas Bank Ltd
Venture Corp Ltd
WBL Corp Ltd**
Yeo Hiap Seng Ltd
Ying Li International Real Estate Ltd
Yoma Strategic Holdings Ltd

* The top 5 companies, and the remaining of the top 50 companies are presented here in alphabetical order.

** Company was privatised and delisted in February 2014.

For compliance's sake



By **DANIEL EE**
SID Council Member

SID
SINGAPORE
INSTITUTE OF
DIRECTORS

**BOARDROOM
MATTERS**

In the past decade, compliance has become a major area of concern for boards and management of companies.

Thirty years ago, it was evident mainly for financial institutions. Today, companies across all industries have to posit a framework to manage their compliance with the increasing number of rules and regulations.

Apart from the Companies Act, a listed company in Singapore has to observe the provisions of the Securities and Futures Act, and the rules of the SGX Listing Manual. Those operating in certain industries are further subject to regulations applicable to those sectors, such as the Banking Act for banks, the Telecommunications Act for telecom companies and the Newspaper and Printing Presses Act for newspaper companies.

In addition, the Monetary Authority of Singapore has issued a Code of Corporate Governance that listed companies must comply with or explain the instances where they have not and the reasons for doing so.

Burdensome Rules

Whenever a new rule is introduced, it tends to be received as just another burdensome requirement for companies, with some rules being viewed as more burdensome than others.

For example, one recently introduced rule that was viewed as particularly problematic was Rule 1207(10) of the SGX Listing Manual. This

rule requires the board to express “an opinion on the adequacy of internal controls, addressing financial, operational and compliance risks”. Given the broad implication of the rule, boards together with their professional legal and accounting advisors spent much time and energy to work out acceptable responses.

Rule 1207(10) came into effect in September 2011 and made mandatory what was previously recommended good practice by the Code of Corporate Governance. The Code’s recommendation in this area (Guideline 11.3) was also updated in May 2012 for the board to comment on both “the adequacy and effectiveness of the internal controls”.

A recent ISCA-KPMG Risk Management study found that compliance with the non-mandatory Code shot up from 23% to 98% after the mandatory Rule 1207(10) was introduced.

While regulations clearly drive compliance – and perhaps anxiety and angst for directors and management – the question is whether it should be so.

Law or Doing What is Right?

There are perhaps two ways to view regulations: as law to be followed otherwise there will be heavy penalties, or they are the right things to be doing.

Take, for example, littering. In Singapore, litterbugs can be fined up to \$1,000 for the first conviction and up to \$5,000 for repeat



convictions. In addition, litterbugs can be ordered to pick up litter in public for up to 12 hours. Some observers have wondered whether Singapore will be as clean if there are not such harsh penalties for littering – and if there is no army of street sweepers to clear the streets daily.

Japan, which also boasts of very clean streets, seems to depend less on anti-littering laws. A Japanese movie, *Departures*, which I saw a few years ago, perhaps illustrates the psyche of the Japanese in this respect. In one scene, a mortician is seen stuffing his cigarette into a portable mini ashtray that he carries in his jacket instead of simply flipping the stub onto the ground. It was a three-second scene but it spoke volumes of the Japanese attitude towards littering. The average Japanese does not litter because it is the right thing to do, and not because there is a penalty for doing so.

Right Compliance to the Right Rules

In this light, boards and management should therefore examine the underlying value of specific rules instead of just viewing them as burdensome requirements to be complied with.

If a rule does not appear to make sense, then directors and management could add their

voice and weight to having the rules removed or moderated.

SID seeks to assist in this respect. For example, when Rule 1207(10) was introduced, SID organised feedback sessions with its members, held several seminars on the revised Code, and made representations to the authorities. Following such feedback, the SGX issued clarifications and a practice note on Rule 1207(10) to provide more practical guidance on its compliance.

Once boards and management accept that a rule represents guidance as to the right thing to do, they would have internalized the requirement; and compliance then comes naturally.

In summary, the right spirit towards compliance is for boards and management to first want to do the right thing, and then work with the regulators, the industry and SID to ensure that the rules actually encompass those right things. Companies should then comply with the rules from the standpoint of alignment with them and not just because the penalties for not doing so can be harsh. ■

Boardroom Matters is a weekly column by SID for The Business Times and its online financial portal, BT Invest, where this article was first published.

Risk Governance: Getting it right

By **IRVING LOW**
KPMG in Singapore

Boards are responsible for risk management and internal control, yet a study by the ISCA and KPMG shows that many continue to be challenged with handling this responsibility.

Managing risk is becoming more and more important as increasingly bizarre corporate debacles on wider scales have made eminently clear.

Increasingly, regulators and stakeholders are looking to the board and hanging responsibility on the board for a company's management of risk.

In Singapore, recent changes to the Singapore Exchange Listing Rules (1207 (10)) and Principle 11 of the revised Code of Corporate Governance 2012 (Code 2012) require boards to have more oversight of risk management and internal control.

Board accountabilities have increased as they must now disclose their views on the adequacy and effectiveness of risk management and internal control systems and provide an explanation as to how they have arrived at their conclusion.

As a result, SID's 2013 Board of Directors Survey (Ed Note: Check out *Aligning with the Revised Code* in Directors' Bulletin Quarter 1, 2014) identified risk management as the highest priority item on the agenda of most boards.

However, many boards are grappling with what their increased accountabilities mean in practice, revealed a recent joint study *Towards Better Risk*

Governance: A Study of Singapore Listed Companies 2013 conducted by KPMG in Singapore and the Institute of Singapore Chartered Accountants (ISCA). The study surveyed annual reports of a diverse group of 250 listed companies.

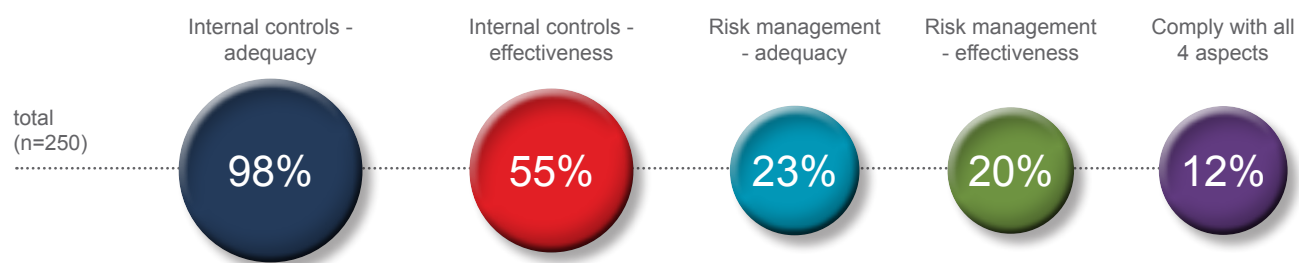
Companies are also challenged to determine and balance how much to communicate to stakeholders regarding their risk management and internal control systems.

Figure 1 shows the decline in compliance levels between mandatory and recommended requirements: 98% of the companies disclosed a board comment on the adequacy of internal controls as mandated by SGX Listing Rule 1207 (10). But only 12% disclosed a board statement on adequacy and effectiveness of risk management and internal controls, in accordance with recommended Guideline 11.3 of the Code 2012.

Results are surprisingly low as the concept of establishing robust risk management and internal control systems is not something new for Singapore listed companies.

The previous Code 2005 recommended that boards disclose the adequacy of internal controls and risk management. Yet the study

Figure 1: Whether the board commented or opined on the adequacy and effectiveness of the company's internal control and risk management systems



found that only 23% of companies adopted these requirements.

Who is Responsible

Principle 11 of the revised Code clearly states that boards are responsible for risk governance but may establish a Board Risk Committee, BRC, to assist. Yet, the ISCA-KPMG study found that 26% of respondents said responsibility lay with management while 22% did not state who was responsible. This highlights the need for organisations to clarify this fundamental requirement.

Stakeholders want assurance that risk governance accountabilities are clearly assigned within the organisation and the first step is to clarify what oversight structure is appropriate for their organisation, given the complexity of risks and scope of operations.

Boards typically delegate the oversight to the audit committee, although more organisations are establishing separate BRCs to enable more in-depth discussion on risks.

Regardless, boards must clearly articulate and document the terms of reference for the committees. Boards must also ensure these committees have the right composition in terms of skills and experience.

In addition, clearly defined reporting and communication structures must be set up

between committees and the board. Where risk is delegated to the audit committee, particular care must be taken to ensure there is sufficient time dedicated to fully understanding and reviewing the risk management and internal control systems.

Getting the Basics Right

The requirement to disclose more to stakeholders about risk management is a growing trend, yet the study found that only 32% of companies disclosed and explained their risk management framework in their annual reports.

As boards deal with the changing nature and velocity of risks (thanks to factors such as increased regulations, digitisation, globalisation and social media), having a defined and structured process to identify, measure, manage and monitor risks is critical to success.

In particular, boards need to ensure that:

- the organisation has set clear responsibilities for risk management at all levels through risk policies,
- decisions are made within agreed limits through risk tolerance,
- significant risks are understood in terms of what is currently in place to manage them and what else needs to be done to mitigate the risk to an acceptable level, and
- the organisation is responsive to change when unexpected events occur.

Most importantly, boards must set the right tone from the top to create an appropriate risk culture.

As boards increasingly demand improved risk information to assist their monitoring and oversight role, risk dashboards have emerged as a key tool to report risk information to boards. These dashboards capture salient risk/control/action information including Key Risk Indicators (KRIs) that align to risk tolerance levels and sources of assurance.

Confidence to Disclose

While the CEO and CFO are required to provide assurance to the board regarding the effectiveness of risk management and internal controls, the study showed that only 15% of the companies disclosed such an assurance (Refer to Figure 2).

This finding reflects possible difficulties that companies face in determining the extent of assurance required and what needs to be done to support the assurance.

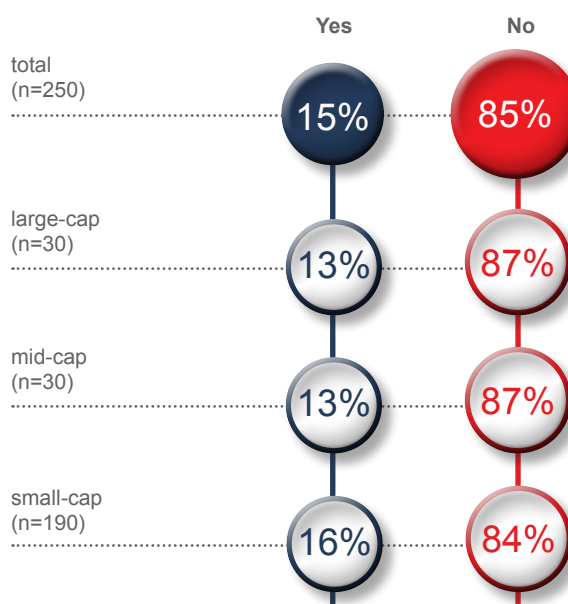
Boards, CEOs and CFOs can obtain assurance from a variety of sources: management, oversight functions such as Risk Management and/or Compliance, and/or independent assurance providers such as Internal Audit.

The study found that 94% of companies have some form of internal audit function in place, though only 39% of these met the Institute of Internal Auditors professional standards.

Another emerging area of assurance is the control self-assessment/certification programme. This is particularly important for large, complex organisations with thousands of employees and dozens of sub-business units, where it is very difficult for the CEO or CFO to ensure that every unit is operating properly.

The purposes of this programme are to raise awareness of risk and controls within and across

Figure 2: Did the company disclose that the CEO and CFO provided assurance?



the organisation and to enhance accountabilities for checking, monitoring and evidencing the adequacy and effectiveness of risk management and internal control systems.

Call to Action

The law is clear that the board is ultimately responsible. Directors, then, cannot be passive or merely reactive in risk management. Some immediate avenues that directors should consider include:

- Understand the board assurance framework for the organisation – this is a critical tool that connects the risk management, internal control and assurance system within and across organisations in relation to responsibilities, processes, reporting and communication channels.
- Review the positioning of the internal audit function to ensure it is focused on the right areas, is providing timely, accurate, insightful observations and that it provides directors with accurate and relevant information.

A take on risk

Boards should view risk management as good business practice, rather than a tick-the-box exercise in compliance.

“The question of how much to regulate is a tough one,” explained Accounting and Corporate Regulatory Authority Chief Executive Kenneth Yap at a forum and discussion hosted by KPMG and the Institute of Singapore Chartered Accountants (ISCA).

Mr Yap, one of five panelists, said: “We need to ask ourselves whether we want a system that is principles-based or one that is more prescriptive. The danger in being too prescriptive is that there is rarely one size that fits all. The other question is whether to mandate specific rules. Will this spur the desired behaviour? We have to be quite careful about forcing companies to fit into a specific set of check boxes as we might not get the desired results.”

SGX Chief Regulatory Officer Richard Teng concurred: “As a regulator, you don’t want to continually add new requirements as there are high costs related to introducing new rules. Instead, what we would like to do is

create an ecosystem that increases the rewards for companies that implement good risk governance.”

“Continually adding more rules and regulations can make it very onerous for companies. We have to be mindful of how to strike the right balance between control and governance versus freedom to pursue opportunities.”

The other panelists include Singapore Press Holdings CEO Alan Chan; Prof Ho Yew Kee, Head, Department of Accounting, NUS Business School; and SID Chairman Willie Cheng. The panel discussion was moderated by Irving Low, Partner and Head of Risk Consulting, KPMG in Singapore.

Prof Ho added that there needs to be a change in mindset so that companies view the implementation of sound risk management practices as a way to make their business stronger, rather than simply a regulatory obligation. “Regulation should not be the main driver of risk management, otherwise it can become a box-checking exercise. Companies need to get their house in order and proactively address risks.”

- Validate the adequacy and effectiveness of the control self-assessment programme to enable the CEO/CFO to provide meaningful assurances to the board.
- Seek external advice to validate management’s representations/disclosures regarding risk management and internal control. Principle 6.5 of Code 2012 states that the Board should have a procedure for directors to take independent professional advice at the company’s expense.

None can foretell the future and there will always be new black swan events. Yet companies governed by effective boards and are a step ahead of their competitors in adopting sound risk management and internal control practices, will be better placed to navigate the bumps in the road and ride out the storm should disaster strike. ■

Irving Low is the Head of Risk Consulting at KPMG in Singapore.

Risk: Learning from Oz

By **ALF ESTEBAN**
Protecht

Australian businesses face an unprecedented confluence of five major risks that could threaten future performance and even viability. These have the potential to affect them in the short to medium term and should be part of any board discussions on risk management.

The background information was created using the “bow tie” analysis technique, whereby causes and effects of a risk events are analysed to determine key causes and consequences so that controls, along with key risk indicators (KRIs) and key performance indicators, can be developed and assigned.

We believe organisations should be seriously considering appropriate preventive, detective and remedial controls to mitigate these risks. However, nimble organisations should also be looking to exploit these risks for their benefit.

Regulatory change can be positive or negative, new technology throws up major growth opportunities and skills shortages provide opportunities to use technology to boost skills or sell services to others.

The five major risks are:

Interventionist Governments

Governments at all levels and of all political persuasions have embraced interventionist



action. The number of Acts passed by the federal parliament has surged from just 17 in 1901 to 206 in 2012. But government often acts without considering the broader economic and social consequences of its actions.

To mitigate this risk, businesses need to look at engaging lobbying government, as well as changing business processes, strategies and target markets. They also need KRIs to detect changes in government regulations. KRIs that can be used to detect changing government regulations that may affect business outcomes include:

- Tracking politicians’ statements in parliament and to the media to gain an indication of their thinking regarding new regulations.
- Tracking the progress of legislation through the various legislative processes, enhancing your ability to prepare ahead of time.

Tracking changes to obligations linked to risks and controls to ensure controls are amended (if required) in time. This is especially significant regarding workplace health and safety regulations and rules, which are changed often.

Reduced Access to Credit

The global financial crisis highlighted that credit can suddenly become scarce. Many companies lost access to short-term funds after the commercial paper market dried up. Commercial paper issuers turned instead to prearranged back-up lines at banks to refinance their paper as it came due. Banks were obligated to fund such loans. As a result, funds became less available for new lending. Non-financial business demand for liquidity also increased during the crisis to meet high precautionary demands for cash. Many businesses drew funds from existing credit lines simply because they feared continued disturbances in the credit markets.

Businesses need to consider pre-existing lines to mitigate the risk of another credit crisis.

Effect of New Technology

New technology is causing a fundamental shift in the entire business landscape. The internet, for example, has changed communications and commerce globally. But smaller technological innovations are also affecting – positively and negatively – businesses and market sectors. Street map publishers, for example, have had to dramatically change their business models due to the rise in the use of GPS devices. In turn, smartphones are affecting GPS device manufacturers.

Resilient organisations identify opportunities from the advent of new technologies and quickly adapt their business models. But it is not always the inventor of the technology who can best exploit it or fully understand the long-term implications. Carl Benz, the inventor of the first automobile, conceded predicted there would be probably no more than 1,000,000 automobiles in the world as that was the total number of chauffeurs at that time!

Skilled Labour Shortages

Automation of business practices has increased, but human capital is still an essential resource

for organisations of all sizes. Skilled labour is becoming a “Catch 22” for many organisations. Training unskilled or lower-skilled staff requires time and cash. But without training and the experience to shift labour from unskilled to skilled, organisations face a diminishing pool of skilled labour. Also, the associated costs of hiring and retaining these skills increase.

This risk can be negative or positive. It will be negative for those who struggle to hire and retain skilled labour and positive for those who take advantage of the skills shortage to increase their own productivity and take the opportunity to sell their services to others.

Supply Chain Disruption

No organisation exists in isolation to its suppliers and customers, which creates supply chain risk. The risk was highlighted recently when Fonterra was forced to recall eight tonnes of whey product due to potential botulism contamination, possibly caused by a contracted cleaner not doing its job properly. Supply chain disruptions are varied and often outside the immediate organisations’ controls, so detective and remediation controls are likely to be more beneficial. Other organisations see supply chain risk as so great that they expand their operations to incorporate downstream and upstream elements of the chain – an approach taken by many of the large global conglomerates. For Australian companies that are often increasingly dependent on Asian suppliers, the potential risk of supply chain disruption needs to be taken into account. ■

Alf Esteban is the CEO of Protecht, a global risk management training, advisory services and software firm.

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Levelling up on fair value



By **CHALY MAH**
SID Council Member

Fair value is an age-old accounting concept, but it needs a revisit this year as the International Financial Reporting Standard 13 (or IFRS 13) *Fair Value Measurement* and the Singapore equivalent FRS 113 kick in for the 2013 annual financial reporting.

While corporations and accounting professionals have had two years to prepare for this new Standard, certain requirements of IFRS 13 continue to pose challenges in practical application, and may take time for the marketplace to fully appreciate their implications.

Two of the key mandates of IFRS 13 are to develop a consistent definition of fair value, and provide a single source of guidance and a coherent



COUNTING BEANS

framework for measuring that fair value. This is easier said than done as, in many cases, fair value measurement entails critical management estimates, assumptions and judgements.

To this end, there are two common practical challenges experienced by corporations with regard to fair value measurement and disclosure requirements: third party quotes and fair value hierarchy disclosures and credit risk adjustments.

Quotes and Disclosures

IFRS 13 requires an entity to disclose a fair value hierarchy of three levels. I will not go into these levels but essentially the requirement is to represent the degree to which inputs to fair value measurement are observable. This disclosure



applies to both financial and non-financial items (for example items like property, plant and equipment and investment property) measured at fair value.

Many corporations may not have in-house valuation tools, relying on third party quotes instead. This presents a range of challenges, from understanding the valuation technique and list of inputs used, to the relationship of the the input and the fair value measurement. In many situations, third party price specialists may not share proprietary information of the valuation models they have used.

With fair value disclosure requirements, corporations will have to gain an adequate level of transparency to understand the inputs used by third party valuation specialists to determine which is the most suitable classification in the fair value hierarchy. This involves the following:

- understanding how the broker quotes are established;
- whether the quotes arise from binding offers or are based on valuation techniques;
- evaluating whether the quote is reliable and verifiable; and
- performing back-testing of the quote against actual market transactions where possible to help verify reliability of the inputs.

Credit Risk Adjustments

IFRS 13 also requires fair value measurement of financial instruments to be adjusted for counterparty credit risk. An adjustment to capture counterparty credit risk is referred to as a Credit Value Adjustment (“CVA”). An adjustment that captures an entity’s own credit risk is referred to as a Debit Value Adjustment (“DVA”) or negative CVA.

In practice, where corporations rely on third party pricing for financial instruments such as derivatives, the fair value quotes are based on risk-free rates without adjustment for counterparty and their own credit risk.

Determining credit risk adjustments involves a considerable degree of judgement surrounding the following input variables:

- potential future exposure of the debt over a specified period of time;
- probability of default of the counterparty; and
- percentage of loss in the event of counterparty default, or loss given default.

A common calculation to determine the credit risk adjustment can be represented by a multiple of the above variables. These input variables are individually highly subjective and in most cases difficult to substantiate.

The following non-exhaustive list of factors are some indicators that corporations can consider in order to determine areas where credit risk adjustments are likely to be relatively significant to the instrument’s fair value measurement:

- the variables that are likely to influence the credit risk adjustment include the tenor of cash flows; the notional size of the asset or liability; and credit rating of the entity and counterparty;
- existence of a master netting arrangement which permits the offsetting of positions in determining the potential future exposure; and
- existence of collaterals that may reduce or in some cases eliminate credit risk.

The challenges presented to corporations are very practical ones, and they can prove uphill and labourous to address. Even so, these challenges do not negate the fact that the implementation of IFRS 13 is a beneficial and necessary one. Despite the challenges, the implementation helps to ensure that corporations have a clear and consistent objective when performing fair value measurements, and that they provide information about the level of subjectivity in the measurements. Corporations would do well to observe it. ■

Chaly Mah is the CEO of Deloitte Asia Pacific and Chairman of Deloitte Singapore.



Changes in securities regulation

By CHIA KIM HUAT AND EVELYN WEE
Rajah & Tann LLP

The Singapore Exchange recently announced the enhancement of its regulatory tools by redefining its query process and adding new requirements. Proposals have also been tabled to further strengthen regulation.

Last October, the share prices of three SGX-listed companies – Blumont, Asiasons, and LionGold – tanked, with all three companies losing almost all their value overnight. This prompted an extensive review by the Singapore Exchange and the Monetary Authority of Singapore.

This resulted in a set of regulatory enhancements aimed at heightening surveillance of trading

activities; and a joint consultation paper setting out proposals to further strengthen the securities market in Singapore.

New Tools

The enhancements, applicable to Mainboard and Catalist companies, comprise: enhancement to SGX's public query process, the "Trade With Caution" notice, and a requirement to keep SGX notified of discussions or negotiations that are

likely to lead to a takeover, a reverse takeover, or a very substantial acquisition.

SGX has issued a new template for its public query, which is in the form of a sample letter containing an example of the questions which SGX may ask. The intention is to draw the company's attention to some common situations which could cause unusual price movements to help it thoroughly consider if there is any undisclosed information which could account for the price movements.

SGX has also mandated that companies get their Board of Directors' approval when sending out their replies to SGX on any queries regarding unusual trading activities. Since the directors of the company are required to collectively and individually take responsibility for the accuracy of the replies provided to SGX, they would be expected to exercise diligence and make their own internal inquiries before endorsing the response, which is often prepared by management.

The challenge for most boards will probably lie in dealing with transactions which are currently undergoing negotiations but with no certainty that they will close. Very often, these would simply say that they are not aware of any specific reasons for the unusual trading activity since the deal has not been firmed up; but now they would need to reconsider whether to provide more information, with the appropriate qualifications.

It has been observed that since these refinements, the quality of responses has generally improved, with some companies highlighting proposed acquisitions or share subscriptions as a possible cause for the unusual trading activity.

Where a company has not provided adequate explanation for an unusual trading pattern, SGX may issue a Trade With Caution (TWC) Notice in situations. This is a cautionary

reminder to shareholders and potential investors and appears in the SGX's "Company Announcements" web page.

Since its introduction in February, SGX has used the TWC Notice on several occasions. The take on this: companies need to consider carefully and not simply give the "not aware of any specific reason" reply, as this could very well lead to a TWC Notice.

The TWC Notice is in addition to SGX's power to designate a stock; and could be a precursor to the designation of a stock if the unusual trading pattern continues. However, it is currently unclear whether SGX would issue any further announcement if there are subsequent disclosures, or when the issues are sorted out. Hence, there may be a risk that the company may continue to be plagued by a TWC Notice without appropriate sunset provisions. As of the date of writing, none of the TWC Notices issued by SGX have been taken off the "Company Announcement" pages relating to the relevant companies.

Finally, SGX has implemented a new notification requirement; in which a listed company must notify SGX when the Board is aware of discussions or negotiations which are likely to result in takeover, reverse takeover, or a substantial acquisition. This obligation also applies to controlling shareholders.

To assuage apprehensions over the disclosure of confidential, potentially price-sensitive information, the notification only needs to include the name of the issuer, type of transaction, target company, and details of the contact person. It would not need to disclose the commercial terms of the transaction.

In addition, SGX also requires the company to maintain a list of names of persons who are privy to the transaction, and who would not be allowed to transact in that security.

Proposals

MAS and SGX have also put up a joint consultation paper to further strengthen regulation of the market. The proposals, which are still in a development phase, include:


- Setting a minimum trading price as a continuing listing requirement for Mainboard companies. It is proposed that the issuer's volume weighted average share price must not fall below a specified minimum trading share price; if it does, the issuer will be given a reasonable time to take proactive steps to comply. It must also provide shareholders with quarterly public updates on the progress of its plans; which might include a share consolidation exercise or seeking a listing on Catalist. If it is unable to comply by the end of the specified cure period, the issuer may be delisted.
- Reporting of trading restrictions which any securities intermediary imposes upon all its customers in relation to SGX-listed securities will have to be announced on SGX's website. This is intended to improve transparency on trading restrictions and reduce information asymmetry. Securities houses may be reluctant to be put under such scrutiny, and one possible outcome could be they may impose trading restrictions on only certain groups of customers, thereby not triggering the reporting requirement.
- Setting-up of a Listings Advisory Committee. This will be referred cases with novel or unprecedented issues and it will then advise SGX on that application. Should the SGX depart from the committee's recommendation, the matter would then be brought before the Regulatory Conflicts Committee.
- Setting-up of a Listings Disciplinary Committee and Listing Appeals Committee, which come into play when SGX seeks to impose sanctions on parties which breach SGX's listing rules. The Disciplinary Committee will be the first-instance disciplinary committee while appeals against its decision or certain regulatory decisions by SGX will be brought before the Appeals

Committee. It is currently unclear if legal representations would be allowed for hearings before these committees and whether the parties involved would be given the opportunity to introduce and cross-examine witnesses to explain or substantiate their case.

- It is also proposed that the Disciplinary and Appeals Committees will be empowered to mete out sanctions which are currently administered by the SGX, including: issuing a warning, private or public reprimand, requiring remedial action for non-compliance, suspension of trading and delisting. They will also be empowered to impose a fine of not more than S\$250,000 on issuer companies for each breach, and to impose restrictions on activities that companies may undertake.
- SGX to be given the power to impose composition fines for minor breaches of the listing rules which are administrative or technical in nature. The amount of composition is not to exceed S\$10,000 for each breach. Additionally, SGX's powers to require remedial action will be widened to allow it to stipulate more alternatives in the event of non-compliance: requiring the issuer company to undertake a compliance programme, or require the appointment of an independent adviser to minority shareholders, amongst other possible remedies.

The enhancements and the proposals aim to increase regulatory surveillance to ward off situations like the penny-stock collapse of last October. But will these changes have the desired effect or will they just put more regulatory hurdles in the way and increase compliance costs for listed companies in Singapore? It is still too early to tell, but from the keen manner in which SGX has been making public enquiries and issuing TWC Notices of late, it is evident that the tone set by Singapore's securities regulators is a strict one. ■

Chia Kim Huat and Evelyn Wee are both partners at Rajah & Tann LLP.



Who Will Be The Clear Winners of SCA 2014?

The Singapore Corporate Awards honours the best in corporate governance among listed companies in Singapore. The awards are for:

- Best Annual Report
- Best Investor Relations
- Best Chief Financial Officer
- Best Chief Executive Officer
- Best Managed Board

Winners will be announced at a gala dinner held as follows:

Date: Tuesday, 15 July 2014
Venue: Resorts World Convention Centre
Compass Ballroom
Guest of Honour: Dr. Tony Tan Keng Yam,
President of Republic of Singapore

SINGAPORE CORPORATE AWARDS
CELEBRATING THE BEST IN CORPORATE GOVERNANCE

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Sustainability scorecard



By **ROBERT CHEW**
SID Council Member

Increasingly, stakeholders are demanding that companies reveal their social responsibility. Understandably, companies have been slow and even reluctant to reveal their hand in this; possibly because it might show just how little effort they have put in things like “sustainability”, “environmental, social and governance”, “non-financial”, and “corporate social responsibility”.

The first social responsibility report was published by ice-cream confectioners Ben & Jerry’s in 1989, but it took another 10 years and a public relations disaster for a major Fortune 100 company (which involved alleged human rights violations stemming from operations in Nigeria, and criticism over the decision to sink the Brent Spar oil platform) to follow suit; with Shell publishing one in 1998.

Today, you would be hard pressed to find a major company in the US that does NOT include some form of sustainability reporting. In 2012, 53% of companies on the S&P 500 published a sustainability or social responsibility report, said the Governance and Accountability Institute.

Singapore lags but the scene will change. In 2011 SGX released a Sustainability Reporting Guide and Policy Statement; followed up by the Monetary Authority of Singapore which revised the Code of Corporate Governance in 2012 to broaden the responsibility of company boards to include sustainability and ethical standards.



RESPONSIBLE BUSINESS



Following these moves, the number of companies in Singapore that published sustainability reports increased 77%; from 13 in 2011 to 23 in 2012. These reports are based on the framework developed by the Global Reporting Initiative (GRI). Among the first listed companies that published GRI-based sustainability reports are CapitaLand, City Developments, Keppel and SembCorp group of companies, SGX, SingTel and StarHub.

Sustainability reporting remains flexible with reports varying greatly in format, length and detail. Just as each company may define sustainability differently for itself and within its business, each may choose how to communicate progress in social responsibility in a way it finds suitable.

On the one hand, this flexibility enables companies to be creative and produces reports

that reflect their individual vision, values and personality. On the other hand, the lack of uniformity can make comparison impossible or at least difficult. Imagine what would happen if companies had no financial reporting standards to adhere to.

There is, therefore, a strong argument for companies to adopt a sustainability reporting framework like that prescribed by GRI. Indeed, more than half of the S&P 500 companies publishing sustainability reports use the GRI reporting framework.

The GRI reporting framework recommends disclosures such as the following:

- Economic considerations or the impact of the business on the local, national and global economy.
- Environmental Issues: impact on living and non-living natural systems (land, air, water and ecosystems), including inputs (such as energy and water), outputs (such as emissions, effluents and waste) as well as environmental compliance and expenditure.
- Ethics and Integrity: the company's values, principles and standards, anti-corruption and anti-competitive behaviours; and its internal and external mechanisms for seeking advice on ethical and lawful behaviour; and reporting concerns about unethical or unlawful behaviour and matters of integrity.
- Social: impact on the social systems within which the company operates; including labour and management relations, occupational health and safety, local communities, consumers' health and safety, and product responsibility.
- Stakeholder Engagement: disclosing the company's stakeholder engagement and not limiting it to engagement for purposes of preparing the sustainability report.

Guidelines also identify certain recommended industry-specific supplemental disclosures, for example, for companies in the financial services industry.

Some may think that sustainability reporting is just marketing or an exercise in public relations, but there is a real need to be vigilant against companies that go through the motions of promoting their sustainability achievements while concealing glaring infractions.

Such was the case with Enron. In the 1990s, it was doing the "social responsibility thing" with its contributions to charities. Unfortunately, it collapsed in one of the biggest corporate bankruptcy cases in 2001, with debts of US\$31b and its CEO Jeffrey Skilling was jailed for 24 years.

Just as with financial reporting, using the accounting standards and risk management frameworks does not mean there would never any corporate fraud. It is the same with sustainability reporting and we need to continue to pursue and promote sustainability reporting. We need to encourage C-suite awareness of sustainability issues.

Indeed, as Chaly Mah wrote in the last issue of the Bulletin on "Integrated Reporting: Be Prepared" that "The days when a company could simply focus on a healthy bottom line in its financial statement are gone". Even as he wrote that, DBS Bank has led the way by including key elements of an Integrated Report based on the <IR> Framework in its recently released 2013 Annual Report.

Replacing the traditional financial report will not happen immediately, but the trend is certainly evolving towards a more comprehensive integrated scorecard which would address the information needs of diverse stakeholders. ■



Budgeting for the future

By **DAVID SANDISON**
PwC Singapore

The Singapore Government's recent Budget focused on social concerns and the "pioneer generation". PwC looks at some of the essentials in the budget for companies.

Focus for this year's Singapore Budget was on the pioneer generation, and certainly, there was little in the Budget significant or noteworthy for companies and directors of companies.

In the run-up, many trees had been felled to produce the paper for wish-lists from professional firms, representative chambers, professional bodies and even individuals – apparently 1,300 suggestions were fired at the Ministry of Finance – but few turned into tangible outcome. Nonetheless, certain little nuggets were served up.

PIC Extension

It was certainly a welcome move that prevented the sun from going down on the Productivity and Innovation Credit (PIC) scheme and extended its shelf-life from Year of Assessment 2015 – financial years ending in 2014 – to YA 2018.

Although off to a bit of an uncertain start in YA 2011, largely due to low levels of awareness particularly among small and medium-sized enterprises, or SMEs, the take-up rate since then has increased



dramatically, and the PIC is now a staple for businesses wishing to invest in productive enhancements. In addition to the extension of the scheme, the government also took the opportunity to streamline and enhance what was already on offer.

Under the original PIC, businesses could enjoy enhanced tax deductions of 300% of their qualifying expenditure; or a total of 400% when the original deduction or allowance is taken into account.

Qualifying expenditure falls into six specified categories, namely the acquisition or leasing of information technology and automation equipment, training, acquisition or licensing of intellectual property rights, registration of IP rights, R&D, and approved design projects. These deductions will

continue to apply to cover expenditure up to YA 2018, with the ability to aggregate the annual caps, so it is not a case of “use it or lose it” for any year.

Apart from a few tweaks here and there to reduce abuse potential and enhance some deficiencies, the principal change was the introduction of PIC+ for SMEs. Under this scheme, the expenditure cap will be increased from \$400,000 to \$600,000 per qualifying activity per year, from YA 2015 to YA 2018. This means that the combined cap for the three years YA 2013 to YA 2015 will now be \$1.4 million, and for the three years from 2016 to 2018 it will be \$1.8 million. So it is beginning to get quite interesting.

To qualify as an SME, Group turnover cannot exceed \$100 million or a workforce of more than 200 people.

So far, there is no indication that if, as a result of amazing productivity leaps, the SME grows beyond these parameters there will be any form of claw-back. At the time of writing, we are still waiting for more details on this scheme to be released, particularly with regard to this.

These are undoubtedly welcome tweaks, extensions and changes; but the question still remains as to whether the scheme is actually influencing investment behaviour, and by extension productivity, or whether it is simply a massive nice-to-have at tax return time. By far the most popular claim has been the investment in the IT and automation equipment category; almost everything that plugs into a wall is included in the qualifying list. And herein lies the issue. When you look at the list of what qualifies, you really have to ask yourself whether a new iPad or fax machine actually does enhance productivity or whether it just replaces obsolescence and/or when the office needs a technology face-lift.

The other aspect of the scheme is that it helps primarily those companies that are profitable, or it is certainly weighted towards them. The cash pay-out option no doubt helps those that need the cash but they only get it after they have had to find the cash to spend in the first place, and then only to a much more limited extent. Certainly PIC is a very nice to have and nobody is going to look the proverbial gift horse in the mouth, but in terms of its effectiveness in directing productive investment, the jury is still out.

Flipside

While the Budget extended help to companies by way of the Productivity and Innovation Credit, it tightened other areas, notably in relation to Section 19B of the Income Tax Act, which very helpfully gives a five-year straight-line write off for expenditure on “intellectual property”.

While a definition exists for this, the IRAS and taxpayer have not always seen eye-to-eye on its

interpretation, and this year’s Budget effectively contained an exclusion. Essentially the definition of intellectual property will now specifically exclude “customer based intangibles” and “documentation of work processes”.

Presumably, this is because the IRAS saw these as being part of goodwill rather than assets that were capable of separate legal protection; but the question is whether the concept of legal protection would have been a better way of drawing the line in the sand, as it is a question of provable fact. The new exclusions still seem to leave some room for argument.

The second change, but not a direct tax issue, was the increasing of excise duties on alcohol. Hong Kong abolishes duties on wine with good result but Singapore chose to head in the opposite direction and increase costs which will inevitably be passed onto the consumer tourist who is already gawping at paying, for a glass of wine, what he could get a bottle for back home.

On its own, the duty hike might not have a great negative impact on Singapore tourism or the food and beverage industry, but in the context of an F&B industry that is buckling under the weight of labour shortages, high establishment and product costs as well as, in many cases, five star prices for three star service, this might be a step in the wrong direction.

The recent Budget made few waves from a tax perspective. It does seem though that this is going to be a continuing trend. Tax rates are unlikely to go lower and may even increase in the future. But in the context of the annual feedback requested, the government should perhaps take a leaf out of its own productivity book and match output with input a little better. ■

David Sandison is a partner at PwC Singapore.



Mind the behavior

By **NG KIAN BEE**

Professor Richard Leblanc, a distinguished academic in corporate governance, wrote that the behavioral characteristics of its directors is the most significant factor in a board's overall effectiveness; more important than director competence, independence or board structure.

It would be reasonable, then, to conclude that behavioral characteristics should be a criterion for board member selection. But how could this be done? Is there a "BQ" or Behavioral Quotient – similar to the popular IQ (Intelligence Quotient) – that universally indexes the behavioral characteristics of an individual?

Theory of Mind

Who we are really comes down to the three-pound organ in our skull, the brain. The brain has about 100 billion neurons that are interconnected to form a gigantic brain network. New connections may be formed whenever there is a new learning experience. It is these connections in our brain that make us who we are and behave in ways that characterize each one of us.

In the boardroom, it is the social interaction of different brains or minds that create a permutation of outcome. To arrive at a boardroom decision, members deliberate.

During these deliberations, each brain does something intrinsically fascinating – it not only tries to understand the discussions, it also tries to read the minds of the other members.

This is known as the Theory of Mind (ToM) – the ability to represent and understand the abstract beliefs and desires of others – and it is this ability that sets us apart from other animals.

ToM is a cognitive skill that starts to develop at the age of four. It enables us to comprehend issues and matters from the perspectives of others. It helps us to function in a social setting where community policies and decisions need to be attained. Visionary entrepreneurs such as Steve Jobs have displayed clearly such powerful ability beyond many of us to read the minds of the consumers in their pursuit of business success.

This skill is perhaps more in need in the boardroom than anywhere else; where strategic and often difficult decisions need to be made by a group of individuals with diverse backgrounds. When board members lack the perspective to understand each other from a common dimension, the company and eventually the shareholders suffer. The dissociation arising out of the lack of ToM skill rather than difference in opinions may be detrimental to the effectiveness of a board.

Today, with advancements in brain science, it is possible to study the activation patterns of the neurons in the brain associated with ToM. Suggesting a respected professional to undergo a brain scan to ascertain his or her suitability as a board member would be outrageous, though I would not be surprised if it becomes the norm in the distant future.

For now, there is a simpler method. Action is the result of decision so the careful studying of

When board members lack the perspective to understand each other from a common dimension, the company and eventually the shareholders suffer. The dissociation arising out of the lack of ToM skill rather than difference in opinions may be detrimental to the effectiveness of a board.

an individual's decisions throughout his or her career would provide a good indication of the behavioral characteristic of the individual.

For the continuing professional development of directors, the good news is that ToM skills can be improved, and this comes from a surprising quarter. According to a recently published article in *Science*, an internationally renowned journal, reading literary fiction, compared to nonfiction or popular fiction, has been shown to improve ToM ability. And the improvements may be long lasting.

Literary fiction is known to engage readers with more introspective, in-depth and complex character writings. Chairmen might encourage board members to read more literary fiction, or lookout for directors who list reading literary fiction as a hobby.

Until the day when science and technology catch up with the boardroom demand, perhaps this is the closest to the "BQ" we could get. ■

Dr Ng Kian Bee is a neuroscientist by training.

65 graduate from SID-SMU programme



The SID-SMU Directorship Programme added another 65 graduates on 10 April. The programme, a collaboration between SID and the Singapore Management University, conferred 31

with the Executive Diploma in Directorship and 34 with the Executive Certificate in Directorship.

Since the programme was first launched in 2007, more than 300 directors and senior executives have gone through it. Taught by expert faculty and industry professionals, the programme is designed to broaden knowledge, hone board-level skills and develop leadership.

Those who received the Executive Certification in Directorship had to complete three assessable modules while the diploma programme requires participants to complete six assessable modules. ■



2014 CG challenges



Directors' remuneration and risk management are the two most challenging issues facing Singapore Boards this year. This was identified in the Singapore Board of Directors Survey, which was released at a SID breakfast talk in March.

The survey, done by SID in collaboration with Singapore Exchange, Aon Hewitt, Egon Zehnder and PricewaterhouseCoopers, found that remuneration policies, as set out in the Corporate Code of Governance 2012, was the most challenging area to comply with.

Despite the broader push towards greater transparency, remuneration received the least responses as 68% of respondents indicated that they had no intention of disclosing remuneration details of individual directors and CEO in the coming year. Even though the Code states that companies should align remuneration with long-term interests and risk policies, only 13% of respondents indicated that they had a deferred long term incentive plan in place.

Meanwhile, risk management continues to be a high priority item on Board agendas. Faced with greater complexity and inter-related risk, more boards are pro-actively involved in the area of



risk management, and have appointed C-suite executives to lead the risk management process. This development in risk stewardship has led to 84% of companies stating that they have become more successful as a result of Enterprise Risk Management programmes.

For more details, refer to the SID website. ■

Board and CEO pay



At the breakfast talk, Hay Group said that large-sized companies generally maintained directors' fees.

The Hay Group's Singapore Top Executive Report 2014 reviewed and analysed the top executive remuneration in 260 listed companies in the Singapore Exchange.

Directors' fees rose by a median of 9.8% increase last year, to \$56,000 per annum; but this was mainly in the sector of small-and medium-sized companies. This was the finding of the Hay Group, which presented two reports, "Board Remuneration and Practice in Singapore" and "Singapore Top Executive Report" at the SID's breakfast talk.

It found that the pay for Singapore CEOs remained flat and the median remuneration was \$875,000 per annum, similar to the previous financial year. CEOs in the property and finance sectors were shown to be the highest earners with a median of \$2.7 million and \$2.13 million per annum respectively. Hotels and restaurants sector were next in line at the median level of \$1.59 million. ■

Compiled and written by Chia Yi Hui

Past Events (Feb 2014 – Apr 2014)

DATE	EVENT DETAILS
25 February 2014	SID-Hay Group: Director & Top Executive Remuneration Survey
17 March 2014	2013 Board of Directors' Survey Launch
18 March 2014	LCD Module 1: Understanding the Regulatory Environment in Singapore
20 March 2014	LCD Module 2: Audit Committee Essentials
28 March 2014	LCD Module 3: Risk Management Essentials
3 April 2014	LCD Module 4: Nominating Committee & Remuneration Committee Essentials
4 April 2014	Launch of the ASEAN Corporate Governance Scorecard & 2013 Singapore Country Report
16 April 2014	LCD Module 5: Investor & Media Relations
24 April 2014	EBL Module 1: Effective Board

Tri Tri again



By **TAN YEN YEN**
SID Council Member

I have always been active in sports, from sprints to cross country runs and netball.

As I got older though, I found the thrill of sprinting wane and a new pleasure in long distance running emerge. It is also a great way to connect with colleagues on a personal level. When you get out of a business suit and into a pair of running shorts, the barriers come off.

My passion for triathlons started in 2005 when a few tri die-hards at Hewlett Packard approached me as the country managing director to sponsor the company team for the OSIM Corporate Triathlon.

When HP ranked only 18th, I challenged them: “How can we be amongst the Top 3 in this race?” To lead by example, I took part in the mini race for beginners and rallied the entire company to participate.

HP made the home run as the Corporate Triathlon Champion, and to this day is the defending Champion.



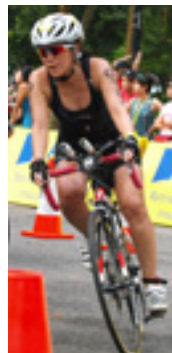
AFTER HOURS

What we took home was not just the trophy, but the bonds and friendships forged during the race trainings. It is heartening to have many of them come up and tell me that their lifestyles have changed for the better by participating in the races.

Now I race in a few triathlons every year. Over the years, I have worked my way from mini races, sprint races to the Olympic distance of 1.5km swim, 40km bike ride and 10km run.

My proudest achievement has been the half-ironman race, Aviva 70.3 in 2011 because it was a personal feat. I have little problem with the 90km bike race or the 21.1km half-Marathon, but the 1.8km swim taxed me to no end. For six months I trained as if I was preparing for the Olympics. The result: I clocked a respectable six over hours. The sense of achievement after the gruelling race was indescribable.

“With so much going on in your life, why do you want to push yourself?” Sports have always been integral to my life and it is a core part of my identity. It allows me to de-stress, provides “me”





time, and gives clarity of thought that I can bring to business decisions.

A typical routine for me starts with a 10 km run and gym thrice a week, finishing off with cycling and yoga on Sunday. When I prepare for a Marathon, I pound the roads for 18km to 25km every weekend. Sometimes friends ask if I sleep. Of course! I need my beauty sleep. But it is about working out priorities and building the discipline into the schedule. I feel energised and ready to take on the day after my morning regime.

I firmly believe that endurance racing pushes the envelope; we stretch our body and mind to the limits. It is about challenging oneself, rising above failure and celebrating success. I have observed that athletes are not just strong in body but in mental fitness and resilience as well.

I encourage my four kids – aged 11 to 17 – to be active in sports. They have done many kids triathlons with me. There is a lot of family bonding when you train together toward a goal. It also



makes me feel less guilty for not spending enough time with them, no thanks to my extensive travel for work. My husband, whose only sport is golf, is our photographer and cheerleader. We are pretty “sporty” as a family, often taking golf, SCUBA diving and skiing holidays together.

In 2012, I decided to challenge myself with a full marathon. I started with the Gold Coast Airport Marathon in July 2012. The following year saw me covering the Xiamen International Marathon in January 2013, and the Singapore Standard Chartered Marathon in December 2013. I am hoping to do at least one more: With four finisher’s medals I would have one for each of my children.

I have my sights set on the Marathon du Medoc. The course winds through 59 scenic vineyards in Bordeaux France. Isn’t that a wonderful pairing to feast on both the scenery and the Bordeaux wine? ■

Upcoming Events

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
LCD Module 1: Understanding the Regulatory Environment in Singapore	6 May 2014	0900 – 1730	Marina Mandarin Singapore
EBL Module 2: The Board and Fund Raising	15 May 2014	0900 – 1230	Marina Mandarin Singapore
EBL Module 3: Enterprise Risk Management	22 May 2014	0900 – 1230	Marina Mandarin Singapore
SID-SMU Executive Certificate in Directorship Module 3: Finance for Directors	26 – 28 May 2014	0900 – 1700	SMU Campus
So, You Want to be a Director?	28 May 2014	0900 – 1100	Capital Tower
EBL Module 4: Financial Literacy & Governance	30 May 2014	0900 – 1230	Marina Mandarin Singapore
LCD Essentials Programme in Mandarin	5 – 6 Jun 2014	0900 – 1700	The Westin Bund Center Shanghai
INSEAD International Directors Programme Module 1: Board Effectiveness and Dynamics	22 – 25 Jun 2014	0900 – 1700	INSEAD Campus Singapore
SID-SMU Executive Certificate in Directorship Module 2: Assessing Strategic Performance	23 – 25 Jun 2014	0900 – 1700	SMU Campus
Board & Director Fundamentals (BDF)	1 Jul 2014	0900 – 1730	Marina Mandarin Singapore
LCD Module 1: Understanding the Regulatory Environment in Singapore	9 Jul 2014	0900 – 1730	Marina Mandarin Singapore
LCD Module 2: Audit Committee Essentials	10 Jul 2014	0900 – 1230	Marina Mandarin Singapore
LCD Module 3: Risk Management Essentials	10 Jul 2014	1400 – 1730	Marina Mandarin Singapore
SID-SMU Executive Certificate in Directorship Module 4: Risk and Crisis Management	10 – 11 Jul 2014	0900 – 1700	SMU Campus
LCD Module 4: Nominating Committee & Remuneration Committee Essentials	11 Jul 2014	0900 – 1230	Marina Mandarin Singapore
LCD Module 5: Investor & Media Relations	11 Jul 2014	1400 – 1730	Marina Mandarin Singapore
So, You Want to be a Director?	22 Jul 2014	0900 – 1100	Capital Tower
SID-SMU Executive Certificate in Directorship Module 5: Strategic Corporate Social Responsibility & Investor Relations	11 – 12 Aug 2014	0900 – 1700	SMU Campus
Board & Director Fundamentals	21 Aug 2014	0900 – 1730	Capital Tower
SID-SMU Executive Certificate in Directorship Module 6: Effective Succession Planning & Compensation Decisions	8 – 9 Sep 2014	0900 – 1700	SMU Campus
LCD Module 2: Audit Committee Essentials	17 Sep 2014	0900 – 1230	Marina Mandarin Singapore
LCD Module 3: Risk Management Essentials	18 Sep 2014	0900 – 1230	Marina Mandarin Singapore
So, You Want to be a Director?	25 Sep 2014	0900 – 1100	Capital Tower
INSEAD International Directors Programme Module 2: Board Decision Making and Oversight	29 Sep – 1 Oct 2014	0900 – 1700	INSEAD Campus Singapore
The Essentials of Corporate Governance	3 Oct 2014	0900 – 1700	Yangon, Myanmar
EBL Module 1: Effective Board	8 Oct 2014	0900 – 1230	Marina Mandarin Singapore
EBL Module 2: The Board and Fund Raising	8 Oct 2014	1400 – 1730	Marina Mandarin Singapore
EBL Module 3: Enterprise Risk Management	9 Oct 2014	0900 – 1230	Marina Mandarin Singapore
EBL Module 4: Financial Literacy & Governance	9 Oct 2014	1400 – 1730	Marina Mandarin Singapore

Board & Director Fundamentals	14 Oct 2014	0900 – 1730	Marina Mandarin Singapore
LCD Module 1: Understanding the Regulatory Environment in Singapore	17 Oct 2014	0900 – 1730	Marina Mandarin Singapore
LCD Module 4: Nominating Committee & Remuneration Committee Essentials	22 Oct 2014	0900 – 1230	Marina Mandarin Singapore
LCD Module 5: Investor & Media Relations	29 Oct 2014	0900 – 1230	Marina Mandarin Singapore
LCD Essentials Programme in Mandarin	20 – 21 Nov 2014	0900 – 1700	To be advised
So, You Want to be a Director?	2 Dec 2014	0900 – 1100	Capital Tower
INSEAD International Directors Programme Module 3: Director Effectiveness and Development	15 – 18 Dec 2014	0900 – 1700	INSEAD Campus, Fontainebleau, France

Other Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
Board Risk Committee Chairmen's Conversation	7 May 2014	0830 – 1100	InterContinental Singapore Hotel
Nominating Committee Chairmen's Conversation	14 May 2014	0830 – 1100	Tower Club Singapore
Board Chairmen's Conversation: Crisis Management	13 Jun 2014	1200 – 1400	Fullerton Bay Hotel, Singapore
SID-IIAS: 20 Questions Every Audit Committee Should Ask	25 Jul 2014	0900 – 1100	Marina Mandarin Singapore
Audit Committee Chairmen's Conversation	13 Aug 2014	1100 – 1300	Marina Mandarin Singapore
Board Chairmen's Conversation	23 Sep 2014	1100 – 1300	Marina Mandarin Singapore
SID-Towers Watson: Setting Long Term Incentives	29 Oct 2014	0900 – 1100	Marina Mandarin Singapore
Remuneration Committee Chairmen's Conversation	5 Nov 2014	1100 – 1300	Marina Mandarin Singapore

Major Events

EVENT	DATE	TIME	VENUE
Driving Excellence in Corporate Governance	19 May 2014	1000 – 1600	The Ritz Carlton, Millenia Singapore
Singapore Corporate Awards	15 Jul 2014	1830 – 2200	Resorts World Sentosa
SID Annual Directors' Conference 2014	3 Sep 2014	0900 – 1730	Marina Bay Sands Singapore
Annual Corporate Governance Roundup	18 Nov 2014	1000 – 1200	Marina Mandarin Singapore
SID Annual General Meeting	18 Nov 2014	1330 – 1430	Marina Mandarin Singapore

Socials

EVENT	DATE	TIME	VENUE
Health & Wellness at Work	23 May 2014	1800 – 1900	Marina Mandarin Singapore
SID Golf Tournament 2014	27 Jun 2014	1100 – 2100	Sentosa Golf Club
Members' Night	22 Aug 2014	1800 – 1900	Capital Tower
Members' Night	21 Nov 2014	1800 – 1900	Capital Tower

Course schedule is subject to changes. Please refer to SID website at www.sid.org.sg for the latest updates.

Welcome to the Family

February 2014

Astorga Richard
 Burdett Wayne Francis
 Burt Penny
 Chia Shih Chan Henry
 Chia Tan Wee David
 Chong Grace
 Chua Song Khim
 Cooper Perry
 Fang Patrick
 Fang Koh Look
 Ho Ken
 Ho Wei-lin, June
 Koen Verniers
 Kumar Sunil
 Lee Chin Chai Kevin
 Lim Chuan Lam
 Lim Hong Leong
 Loke Jacqueline
 Lui Andrew Stewart
 Marlene Uetz
 Mitchell Peter Farley
 Ng Chris
 Pochara Framroze
 Pollard Geoffrey
 Ram Venkat
 Schlosser Dieter
 Schulz Georg Felix
 Sujan Ronil
 Tahmaseby Behnoud
 Tai Ivy
 Tan Audrey
 Tan Hong Heng Philip
 Tan Chong Neng
 Tan Joon Hong
 Tan Seow Kheng
 Tan Tze Wei
 Tan Kew Poh Edward
 Tay Kwang Lip Willie

Tee Kau Ee Allan
 Treruangrachada Piya
 Tsang Jeffrey
 Wennevik Siri
 Wilkoszewski James

March 2014

Chang Eugene
 Chew Ling
 Chow Choon Kit
 Clay Andrew
 Heng Cheng Kwang
 Ko Kheng Hwa
 Ku Xian Hong
 Kwa Teow Huat Philip
 Kwek Buck Chye
 Lim Jane Wan
 Lim Gwee Koon Axron
 Loh Andrew Sur Jin
 Low Mui Kiang
 Ng Li Yong
 Noguchi Akihiro
 Ormiston Charles Marshall
 Phan Yoke Fei
 Porcelli Sophia
 Shankar Satish
 Tan Seok Lee
 Tan Soon Tien
 Tan Swee Ching Jerlyn
 Teo Chee Hong Michael
 Whitaker E Brooke
 Wong Chee Kong
 Zee Yoong Kang

April 2014

Arora Parvinder Kumar
 Barry Declan Gerard

Chan Chee Loon
 Chang Yew Kong
 Cheah Sui Ling
 Cheah Weng Kwong
 Chiu Shih-Chi
 Das Anurag
 Diez Fermin Augusto
 Foo Say Huat Jeremy
 Gibbins Sam
 Hong See Yen
 Koh Choon Hui
 Kwang Lee Peng
 Lee Ah San
 Levinson Philip
 Lim Hui Chee
 Liu Patricia
 Loi Hai Poh
 Mah Chi Khuen Albert
 Marchese Enrique
 McAvoy Roger William
 Mollinedo Mims Ana
 Ng Lee Huat
 Qian Li Li
 Seah Ben Hun
 Sim Choon Kiem
 Sonoo Jairaj
 Sydness John Andrew
 Tan Chin Poh
 Tan Dominique Chin Soon
 Tan Khieng Sin
 Tan Yew Heng Terrence
 Teh Casey
 Teo Kim Por
 Tham Peng Mun Alex
 Thong Yuen Siew Jessie
 Tong Kok Wing
 Williams Trevor Francis
 Woon Wee Bun David
 Yap Robert Min Choy
 Yuen Sonny

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FIRST VICE-CHAIRMAN

Adrian Chan Pengee

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Lim Chin Hu

Elaine Lim

Chaly Mah

Andy Tan Chye Guan

Tan Yen Yen

Richard Teng

Wong Su-Yen

Yeoh Oon Jin

Singapore Institute of Directors (SID), the national association of company directors, seeks to continually raise professional standards and directors' effectiveness through the acquisition of up-to-date knowledge and skills.

Our broad-based curriculum caters to the whole spectrum of developmental needs of directors and senior corporate leaders working with boards.

The SID training course schedule for 2014 gives every director, at all levels, the opportunity to fulfill their ongoing training objectives.

Focus	Hot Topics (Talks, roundtables, forums, seminars)
	Chairmen's Conversation
Updates	Annual Corporate Governance Round-up
	Corporate Governance Updates for ListCos
Advanced	INSEAD-SID International Directors Programme
	SID-SMU Directorship Programme
Essentials	Listed Company Director Programme
	Effective Board Leadership Programme
Fundamentals	Board and Director Fundamentals
	So, You Want to be a Director?
	ListCo (International) ListCo Private

SID, for all your director training and development needs

Fundamentals	So, You Want to be a Director? This 2-hour introductory seminar provides a quick introduction to corporate structures and the duties and responsibilities of a director in Singapore. Ideal for aspiring and first time directors. • 28 May, 22 Jul, 25 Sep, 2 Dec	Board and Director Fundamentals This 1-day course provides key information on the corporate and regulatory landscape in Singapore, the fiduciary duties and responsibilities of directors, and how boards function. • 1 Jul, 21 Aug, 14 Oct
	Effective Board Leadership Programme (EBL) EBL's 4 half-day modules focus on developing the effectiveness of the director, at both the individual and collective board level, using principle-based frameworks and practical guidelines. • EBL 1: The Effective Board – 8 Oct • EBL 2: The Board & Fund Raising – 15 May, 8 Oct • EBL 3: Understanding Enterprise Risk Management – 22 May, 9 Oct • EBL 4: Financial Literacy & Governance – 30 May, 9 Oct	Listed Company Director Programme (LCD) LCD is a comprehensive 5-module training programme (comprising of 1 day and half day modules) on the compliance, regulatory and corporate governance essentials of listed companies in Singapore. A condensed version of LCD is also delivered in Mandarin in China. • LCD 1: What Every Director Ought to Know – 6 May, 9 Jul, 17 Oct • LCD 2: Audit Committee Essentials – 10 Jul, 17 Sep • LCD 3: Risk Management Essentials – 10 Jul, 18 Sep • LCD 4: Nominating & Remuneration Committee – 11 Jul, 22 Oct • LCD 5: Investor & Media Relations Essentials – 11 Jul, 29 Oct • LCD Mandarin Programme in China – 12 to 13 Jan, 20 to 21 Nov
Essentials	SID-SMU Executive Certificate in Directorship The first of its kind in Singapore to offer formal certification on directors' training. The 6-module, 15-day programme seeks to enable directors to contribute meaningfully to boardroom deliberations through lectures and real-life case studies. • ECD 2: Assessing Strategic Performance – 23 to 25 Jun • ECD 3: Finance for Directors – 26 to 28 May • ECD 4: Risk & Crisis Management – 10 to 11 Jul • ECD 5: Strategic CSR & Investor Relations – 11 to 12 Aug • ECD 6: Effective Succession Planning & Compensation – 8 to 9 Sep	INSEAD-SID International Directors Programme Designed for experienced directors, the International Directors Programme goes beyond compliance and focuses on excellence in international board practice. The 3-module, 9-day course is conducted in Singapore and France, and successful participants of the programme may apply for the INSEAD Certificate in Corporate Governance (CCG). • IDP 1: Board Effectiveness & Dynamics – 22 to 25 Jun (Singapore) • IDP 2: Board Decision Making & Oversight – 29 Sep to 1 Oct (Singapore) • IDP 3: Director Effectiveness & Development – 15 to 18 Dec (FeminineMans, France)
Advanced	Corporate Governance Updates for ListCos A modular programme of corporate governance and regulatory updates based on individual company needs. • In-house (choice of 3 individual modules of 1 to 1.5 hours per module)	Annual Corporate Governance Round-up An annual half day, members-only event that provides a review of the latest issues and regulatory changes affecting companies in Singapore. • Nov 18
Updates	Chairmen's Conversation Invited chairmen of boards and board committees will take part in a series of peer sharing and engagement events discussing common issues of interest and the role of the board/committee chair in dealing with the latest topical issues. • Board Risk Committee Chairmen (PwC) – 7 May • Nominating Committee Chairmen (Russell Reynolds) – 14 May • Board Chairmen (Bain & Co) – 13 Jun • Audit Committee Chairmen (EY) – 13 Aug • Board Chairmen (DfP Asia) – 25 Sep • Remuneration Committee Chairmen (Mercer) – 5 Nov	Hot Topics Throughout the year, SID presents a number of in-focus events to discuss current topics of interest to directors and corporate leaders. These events include seminars, roundtables, forums and consultations. • Driving Excellence in Corporate Governance – 19 May • 20 Questions Every Audit Committee Should Ask (EIA) – 25 Jul • Essentials of Corporate Governance (conducted in Yunnan) – 3 Oct • Setting Long Term Incentives (Inners Watson) – 29 Oct
Focus		

Some of training are subject to time of year and are all subject to change

Our Core Programme Professional Development Partners:



SID Directors' Conference 2014

Towards The New Capitalism

Wednesday, 3 September 2014
Marina Bay Sands, Grand Ballroom

The 5th SID Directors' Conference will take a hard look at what capitalism is today and where it is taking us tomorrow. Our expert speakers will address practical implications and actions for boards, directors and corporations.

Today's 'hot buttons' will also be addressed, as boards grapple with more immediate contentious concerns such as gender diversity, crisis management, and the effects of regulatory changes.

Speakers and panellists:
 Magnus Backer
 John Elkington
 Eileen Goh
 Tommy Koh
 Lim Boon Heng
 JY Pillay
 Peter Seah
 Susan Steenberg
 Till Vestring
 Peter White

For the latest information on our programmes and membership:
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