

## Singapore Permits SPAC Listings

SEPTEMBER 8, 2021

On September 2, 2021, the Singapore Exchange (SGX) announced new rules that would permit special purpose acquisition companies (SPACs) to list beginning on September 3, 2021. To qualify for a listing on SGX, a SPAC must meet several listing criteria, including:

ITEM	REQUIREMENT
<b>Minimum Market Capitalization</b>	S\$150 million (~US\$111.6 million)
<b>Timing</b>	A business combination (i.e., de-SPAC) must take place within 24 months of a SPAC initial public offering (IPO), with an extension of up to 12 months in certain circumstances.
<b>Moratorium on Sponsor Shares</b>	SGX would issue a moratorium on sponsor shares from IPO to de-SPAC, a six-month moratorium after the de-SPAC, and for certain issuers, an additional six-month moratorium on 50% of shares.
<b>Sponsor Subscriptions</b>	Sponsors would be required to subscribe to at least 2.5% to 3.5% of the IPO shares, units, and warrants, depending on the market capitalization of the SPAC.

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<b>Independence Requirements</b>	De-SPACs would be permitted if more than 50% of independent directors approve the transaction and more than 50% of shareholders vote in support of the transaction.
<b>Warrants</b>	Warrants issued to shareholders will be detachable, and the percentage dilution to shareholders from the conversion of the warrants issued during the IPO would be capped at 50%.
<b>Redemption Rights</b>	All independent shareholders would be entitled to redemption rights.
<b>Sponsor Promote</b>	A sponsor's promote limit would be up to 20% of the shares issued during the IPO.

Mohammed Nasser Ismail, the head of SGX's equity capital markets, commented, "We are actively engaging with potential sponsors and are expecting a robust pipeline of Asian-focused SPACs." Singapore is joining South Korea and Malaysia in permitting SPAC listings, and Hong Kong and Indonesia are currently contemplating a similar move.

Capital Markets Watch will continue to monitor developments on SPAC listings in Singapore and will provide our readers with updates as they become available.

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