



Monetary Authority of Singapore

SECURITIES AND FUTURES ACT (CAP. 289)

**GUIDELINES ON
ONGOING DISCLOSURE REQUIREMENTS FOR
UNLISTED DEBENTURES**

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GUIDELINES ON ONGOING DISCLOSURE REQUIREMENTS FOR UNLISTED DEBENTURES

1 Purpose and Scope of these Guidelines

1.1 Issuers of unlisted debentures offered to retail investors should provide timely and meaningful ongoing disclosures to such investors. This is so that retail investors are informed about material developments concerning their investments.

1.2 These Guidelines are issued by the Authority pursuant to section 321 of the Securities and Futures Act (Cap. 289) ["SFA"]. They aim to provide guidance to issuers of unlisted debentures on when and how to provide ongoing disclosure.

1.3 They provide general guidance and are not intended to replace or override any legislative provisions or written directions in respect of disclosure requirements imposed on issuers.

2 Frequency and Form of Semi-Annual Reports

2.1 Issuers of unlisted debentures with tenure of 12 months or more should prepare semi-annual reports on their unlisted debentures, every six months from the date of issuance of the unlisted debentures.

2.2. Issuers should make readily available and accessible to debenture holders copies of the semi-annual report either through printed form or electronic means within two months from the end of the period covered by the semi-annual report.

2.3 Where reports are made available to debenture holders through electronic means, issuers should promptly inform debenture holders of the release of the reports, and disclose clearly to the debenture holders how and where electronic copies of the reports may be accessed. Issuers should also provide debenture holders with the option to request for printed copies of the reports and make available such printed copies upon request.

3 Content of Semi-Annual Reports

3.1 The semi-annual reports should, where relevant, provide the following information:

- (a) whether or not the issuer and the guarantor have observed and performed all the obligations binding upon them under the unlisted debenture during the relevant period under review;
- (b) a presentation of the changes in valuation or bid prices of the unlisted debenture during the relevant period under review and changes in valuation or bid prices of the unlisted debenture since issuance, in a graph chart format;
- (c) a description of the factors contributing to the changes in valuation or bid prices of the unlisted debenture during the relevant period under review;
- (d) where coupon payments have been made during the relevant period under review, to disclose:
 - (i) the amount and date of disbursement of the coupon payments; and
 - (ii) where the debenture was offered with a pre-determined formula for coupon payments, an explanation of the calculation of the actual coupon payments received by debenture holders and any significant deviation from the maximum coupon payments set out in the marketing and advertising material or disclosure documents;
- (e) any material information relating to the issuer or the guarantor that may affect the ability of the issuer or the guarantor to fulfil their obligations under the unlisted debenture;
- (f) where the debenture has exposure to reference assets or has underlying collateral, to disclose any material information relating to the reference asset or the underlying collateral that may adversely affect the unlisted debenture;

- (g) where there is a change in the credit rating of the unlisted debenture, the issuer or the guarantor, the reference assets, or the underlying collateral during the relevant period under review, to disclose:
 - (i) the name of the credit rating agency;
 - (ii) the date on which the credit rating was revised;
 - (iii) the original credit rating;
 - (iv) the revised credit rating;
 - (v) the reason for the revision in the credit rating;
 - (vi) whether or not any fee or benefit of any kind had been paid by the issuer or any of its related parties to the credit rating agency in consideration for the original credit rating;
 - (vii) whether or not any fee or benefit of any kind had been paid by the issuer or any of its related parties to the credit rating agency in consideration for the revised credit rating; and
 - (viii) whether or not there is any change in the fee or benefit paid in consideration for the original rating and the fee or benefit paid in consideration for the revised rating and if so, the reason for any change in the fee or benefit paid;
- (h) any other risk exposure, or information, that has had, has or will have adverse impact on the unlisted debenture that the issuer is aware of; and;
- (i) fees and charges charged to debenture holders during the relevant period under review.

3.2 The information set out above serves as a general guidance and is not meant to be exhaustive. Issuers should include any additional information which would be useful and relevant to debenture holders.

4 Material Changes

4.1 Issuers should disclose changes which may materially affect the risks and returns, or the price or value of the unlisted debenture to debenture holders immediately. Such material changes include, but are not restricted to, significant changes in general market conditions or specific aspects of the financial instruments, industry, sector or country that the unlisted debenture has exposure to, or the creditworthiness of the issuer or the guarantor.

5 Bid or Redemption Prices

5.1 Where an issuer makes available an option for redemption, the issuer should make available, publicly and regularly, bid or redemption prices of the unlisted debenture to ensure that debenture holders have access to regular and transparent valuation of their investments. Issuer should make available prices at the frequency of the offer for redemptions or once every fortnight, whichever is more frequent.

5.2 Disclosure of the bid or redemption prices can be made available on the issuers' or, in the case where the option for redemption is made available through the distributors, the distributors', websites. The address of the website and frequency with which bid or redemption prices are updated, should be clearly disclosed to debenture holders.

5.3 Where the bid prices disclosed are merely indicative, issuers should clearly highlight to debenture holders that these bid prices are only indicative and may not be actual exit prices.

5.4 The calculation of investment valuations should be independent, fair and proper. Issuers should be prepared to demonstrate that the bid or redemption prices disclosed are determined independently, fairly and properly.

6 Financial Statements

6.1 The directors or equivalent persons of every borrowing entity and of every guarantor entity are currently required under section 268(6) of the SFA to prepare semi-annual and annual profit and loss accounts and balance sheets. Such directors or equivalent persons should also make readily available and accessible such financial statements to debenture holders either in printed form or electronic means.

6.2 The borrowing entity and guarantor entity should promptly inform debenture holders of the release of these financial statements, and disclose clearly to the debenture holders how and where the financial statements may be accessed.