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Singapore Government

MEDIA RELEASE

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**TO BE EMBARGOED UNTIL AFTER DELIVERY
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**SPEECH BY MR. LIM HNG KIANG, MINISTER FOR HEALTH AND
SECOND MINISTER FOR FINANCE AT THE SINGAPORE
INTERNATIONAL CHAMBER OF COMMERCE AGM, ON TUESDAY,**

**9 MAY 2000 AT 1.00 PM,
THE BALLROOM, MANDARIN HOTEL**

Introduction

Chairman and members of the Singapore International Chamber of Commerce,
ladies and gentlemen:

As we move towards a knowledge-based economy, there will be a premium placed on developing and utilising knowledge. The flow of ideas and information will play an increasingly important role. To stay at the fore-front of this new economy, Singapore must continue to be an attractive hub for talents and ideas from all over the world.

2 The Singapore International Chamber of Commerce has done well in bringing together talents, from both Singapore and overseas. 35% of your members are Singaporean companies and the other 65% are multi-national

companies from 44 different countries. The diverse backgrounds and experiences of your members have contributed to the flow and exchange of ideas and information. This has not only benefited the members themselves, but also the Business community in Singapore.

Need for Consultation with the private and people sectors

3 The gathering of ideas and feedback from key stakeholders is also important to the Government. The Government recognises that we do not have a monopoly on ideas or talents. Many innovative ideas and useful knowledge actually reside in people outside the Government. To come up with good policies, we need to actively consult the private and people sectors.

4 Although consultation may be time-consuming, it leads to better-formed policies, greater buy-in from the stakeholders and hence, smoother implementation. The people who are consulted also need to understand that not every idea can be adopted. At the end of the day, the Government will have to consider all the different views and make an informed decision based on the long-term interest of Singapore.

5 The consultation process is not new to the Government. MOF for instance, has been tapping on the expertise of many people through our various committees and Boards. However, in recent years, the Government has taken active steps to involve and consult even more people, including foreign investors in Singapore. In a PERC (Political & Economic Risk Consultancy) report published in Apr this year, the Singapore Government was rated top among Asian countries in establishing one-to-one business consultative relationships with foreign investors.

6 Although we can feel proud of this recognition, we must not rest on our laurels and should continue to look for more effective channels of getting ideas and feedback. On this note, let me cite some recent examples from the Ministry of Finance.

Supplementary Retirement Scheme (SRS)

7 The Supplementary Retirement Scheme, or SRS, will be introduced to allow Singaporeans to make voluntary contributions for their old age, over and

above their CPF savings. Contributions to SRS will be accorded tax deductions at the time of contribution, with tax being payable only when the savings are withdrawn. In practice, individuals can spread out their withdrawals over a time period such that they may effectively pay no taxes at all.

8 On 26 April, MOF posted a consultation paper on the Internet to seek feedback from the general public. Before this, officials from MOF and the Ministry of Manpower had met relevant private sector representatives, including financial sector practitioners and businessmen, as well as engaged in Feedback Unit sessions. Among those whom we consulted were Mr Graham Hayward and Mr Jon Robinson from the SICC.

9 The posting of the SRS policy on the Internet is a new channel that we are using to get feedback from the public. Since its launch, we have received useful comments and ideas from different people. For some policies, getting feedback through the Internet is clearly a useful channel.

Advisory Committee for Customs and Excise Department

10 Besides seeking feedback on our policies, the Government is also constantly looking for ways to get new ideas and suggestions for improvement. One such effort is the setting up of committees, comprising members from both public and private sectors, to advise Government agencies on how they can improve their service delivery.

11 MOF recently set up a standing advisory committee in March for the Customs and Excise Department. The advisory committee was established to provide ideas and share best industry practices, to help improve Customs practices and procedures in Singapore. The committee members come from different backgrounds. While some are from statutory boards, such as TDB and EDB, the majority of members are from the private sector, such as the Singapore Aircargo Agents Association, the Singapore Logistics Association and the Singapore Federation of Chambers of Commerce & Industry.

12 The Government and our agencies benefit from such consultation with key stakeholders and industry experts. The ideas and feedback suggested by the committee members are valuable inputs to help improve our service quality. MOF is now looking at setting up an advisory committee for the Registry of Companies and Business as well.

Corporate Regulation and Governance Committees

13 Moving on to my final example. There has been significant work on corporate governance in recent years. Most notably, the Corporate Finance Committee, or CFC, made several recommendations in 1998 on how to improve the setting and practice of disclosure and accounting standards in Singapore. The legal and regulatory aspects of the CFC recommendations are currently being implemented by a joint committee of government departments and agencies.

14 As a continuous effort to make Singapore a world-class business and financial hub, the Government has embarked on a comprehensive review of corporate regulation and governance in Singapore. Three private-sector led committees were formed to study the following areas: Company Legislation and Regulatory Framework, Disclosure and Accounting Standards as well as Corporate Governance. The three committees will complete their study and make their recommendations to the Government at the end of this year.

15 The Company Legislation and Regulatory Framework Committee is led by Dr Philip Pillai, Managing Partner of Shook Lin and Bok. The committee will review Singapore's corporate law and regulatory framework, and compare Singapore's approach and legal structure with the standards and best practices of other countries such as the UK, US and Australia. The committee will study areas such as lowering the costs of incorporation and company administration and having a single legislation for insolvency issues. Dr Pillai's committee will also be looking at the structure and composition of the Companies Act and its relationship with other Acts, such as the omnibus Securities Act.

16 The second committee, led by Mr Ng Boon Yew, a Consultant with the Singapore Technologies Group and former Partner of KPMG, is on Disclosure and Accounting Standards. This committee will review the process by which accounting standards are set, maintained and regulated in Singapore, compared with overseas jurisdictions. The Singapore Statements of Accounting Standards will be studied to see if these can be aligned to the International Accounting Standards. Mr Ng and his team will also examine the approach, development and promotion of best practices in disclosure requirements among publicly listed companies in Singapore.

17 Last but not least, is the Corporate Governance Committee, led by Mr Koh Boon Hwee, Chairman of Singapore Telecommunications. The Corporate

Governance Committee will look at the development and promotion of best practices in corporate governance among public listed companies, with comparisons to international benchmarks such as the OECD Principles of Corporate Governance. Mr Koh's team will also formulate corporate governance principles with a view to adopting best boardroom practices.

Conclusion

18 These examples highlight the importance of forging a close partnership between the Government and our various stakeholders to develop effective and sound policies. The consultation process is not new to the Government but in the light of a knowledge-based economy, it has taken on a renewed and greater emphasis. The Government will continue to find new ways to tap on the ideas and knowledge of the people and private sectors.

19 I would like to thank the Chairman and members of the SICC for your contributions and active participation in various discussion forums initiated by the Government. With your high standing in the business community, the SICC is in a good position to build on your excellent track record to further promote active citizenry from the private sector. I wish you all the best in your endeavours for the coming year.

20 Thank you.

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Supplementary Notes for speech by Mr. Lim Hng Kiang, Minister for Health and Second Minister for Finance at the Singapore International Chamber of Commerce AGM, on Tuesday, 9 May 2000 at 1:00pm, Mandarin Hotel Ballroom.

Customs and Excise Department (CED) Advisory Committee

The CED Advisory Committee was established to provide inputs for the improvement of Customs practices and procedures in Singapore and for the

advancement of CED.

2. Members of the Committee will be appointed on a two-year term and shall be eligible for re-appointment. The Committee shall meet every half-yearly. The committee members are shown below:

CED Advisory Committee Members	Title
1. Mr Lim Siong Guan (Chairman)	Permanent Secretary, MOF
2. Mr Tan Yong Soon	Deputy Secretary (Policy), MOF
3. Mr Barry Desker	CEO, TDB
4. Mr James Goh	Chairman of the Board of Directors, Conferencia Asia-Pacific Express Carriers
5. Mr Khoo Teng Chye	Group President, PSA Corporation Limited
6. Mr Alex Koh	Chairman, Singapore Aircargo Agents Association
7. Mr Kwek Leng Joo	President, Singapore Federation of Chambers of Commerce & Industry
8. Mr Liew Heng San	Managing Director, EDB
9. Mr Stanley Lim Hwee Hong	Chairman, Singapore Logistics Association
10. Mr Lua Cheng Eng	President, Singapore Shipping Association
11. Prof. Herve Mathe	Director, The Logistics Institute-Asia Pacific
12. Mr Wong Woon Liong	Director-General, CAAS

Company Legislation and Regulatory Framework Committee

Terms of reference

To undertake a comprehensive and coherent review of our company law and regulatory framework and recommend a modern company law and regulatory framework for Singapore which accords with global standards and which will promote a competitive economy.

Members	Title
1. Dr Philip Pillai (Chairman)	Managing Partner, Shook Lin & Bok
2. Mr Lucien Wong	Managing Partner, Allen and Gledhill
3. Mrs Arfat Selvam	Partner, Arfat Selvam and Gunasingham
4. A/P Tan Yock Lin	Deputy Director, Centre for Commercial Law Studies, NUS
5. Mr Charles Lim	Deputy Head, Legislation Division, AGC

6. Ms Juthika Ramanathan Registrar, RCB
7. Mr Gerard Ee Partner, Ernst and Young
8. Mr Frank Blue VP and General Counsel, Caltex
9. Mr Sim Boon Ann Senior Partner, Drew and Napier
10. Mr Ian McLean Finance Director, F&N Group
11. Mr Ng Heng Fatt Senior Director, Supervisory Legal Division, MAS
12. Ms Yap Huan Lan VP(Legal), SGX

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Disclosure and Accounting Standards Committee

Terms of reference

- *To review the process by which accounting standards are set, maintained and regulated in Singapore, compared with overseas jurisdictions, taking into account the role and function of the Institute of Certified Public Accountants of Singapore (ICPAS).*
- *To review the Singapore Statements of Accounting Standards with a view to aligning them with the International Accounting Standards (IAS), or higher, as a matter of policy except where there are special reasons to deviate.*
- *To review the approach, development and promotion of best practices in disclosure requirements amongst publicly listed companies in Singapore.*

	Members	Title
1.	Mr Ng Boon Yew (Chairman)	Consultant with Singapore Technologies Group and former Partner of KPMG
2.	Mr Tan Boen Eng	President, Institute of Certified Public Accountants of Singapore (ICPAS)
3.	Prof. Neo Boon Siong	Dean, School of Accountancy and Business, NTU
4.	Mr Eric Ang	Managing Director and Head of Capital Markets, Industrial Bank
5.	Mr Boon Swan Foo	President and CEO, ST Engineering
6.	Mr Sim Yong Nam	VP, Clearing, Settlement & Accounts Dept, SGX
7.	Mr John Koh	Executive Director, Goldman Sachs (Singapore)
8.	Mr John Lim	Group Managing Director, Pan United Corp Ltd
9.	Mr Ng Keh Long	Chief Finance Officer, Creative Technologies Ltd

Corporate Governance Committee

Terms of reference

- *To review the approach, development and promotion of best practices in corporate governance amongst publicly listed companies in Singapore.*
- *To examine international best practice benchmarks such as the OECD Principles of Corporate Governance to see if they should not be adopted as a matter of policy except where there are special reasons to deviate.*
- *To formulate corporate governance principles with a view to adopting best boardroom practices, and improving the training of company directors, especially for the listed companies, taking into account the role and work of the Singapore Institute of Directors (SID).*
- *To recommend a standing arrangement for advocating, promoting and enhancing corporate governance.*

Members	Title
1. Mr Koh Boon Hwee (Chairman)	Chairman, Singapore Telecommunications
2. Dr Mak Yuen Teen	Coordinator, Accounting and Corporate Governance Research Group, Faculty of Business and Administration, NUS
3. Ms Yeo Lian Sim	Assistant MD, Capital Markets, MAS
4. Ms Juthika Ramanathan	Registrar, RCB
5. Mr Chew Heng Ching	President and Chairman of the Governing Council, Singapore Institute of Directors
6. COL(NS) David Wong	Senior Advisor, Ernst and Young
7. Mr Teng Cheong Kwee	Executive VP, Head of Risk Management & Regulation Division, SGX
8. Mr Basil Chan	Chief Financial Officer, Datacraft (Asia) Ltd
9. Mr Richard Price	Managing Partner, Shearman and Sterling
10. Ms Candice Keoderitz	CEO, Morgan Stanley Dean Witter
11. Mr Lawrence Wong	Head (Investment & Management), OCBC Ltd
12. Mr Daniel Chan	Chairman, IMAS Managing Director, UOB Asset Management

If you have any questions, please call Mr. Chee Hong Tat (MOF) at DID: 332 7373.

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