



## Circular Derivatives

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### News Release: SGX and SPDB sign MOU to enhance capital market ties between Singapore and China

Singapore Exchange (SGX) and the Shanghai Pudong Development Bank (SPDB) have entered into a memorandum of understanding (MOU) at the 3<sup>rd</sup> Singapore-Shanghai Financial Forum, to strengthen capital market ties between Singapore and Shanghai.

Under the MOU, SGX and SPDB will work closely as strategic partners to raise the profile of Singapore's capital market. The MOU outlines several areas for closer collaboration with a focus on leveraging the international fund raising platform of SGX. SPDB will recommend Chinese enterprises to raise funds through initial public offers (IPOs), listing of Real Estate Investment Trusts (REITs) and Business Trusts, and issuance of Offshore Renminbi (RMB) Bonds, including depositing their bonds where applicable, in the Central Depository of SGX.

The MOU will touch on financial and commodity markets as well, with SPDB exploring opportunities in gold futures on SGX. SGX's Singapore Kilobar Gold Contract is the world's first Shariah-compliant, exchange-traded and physically delivered wholesale gold futures. Both parties have also committed to jointly organising forums on SGX listings and commodity derivatives in China and Singapore.

Additionally, cooperation in other areas such as bulk commodities, freight, foreign exchange as well as derivatives and bond trading will be explored. Internal trainings and an exchange programme between SGX and SPDB staff are amongst the engagements planned. These will provide opportunities for both parties to learn and share knowledge on the business environments of Singapore and China as well as SGX's listing requirements.

Chew Sutat, Head of Equities and Fixed Income at SGX, and Cui Bingwen, Executive Vice President of SPDB, signed the MOU at the forum themed "Strengthening Singapore-Shanghai Collaboration in a Changing Financial World Order", held in Marina Mandarin Singapore. The signing was witnessed by Kwa Chong Seng, Chairman of SGX and Liu Xinyi, Vice Chairman and President of SPDB.

Chew Sutat said, "SGX's partnership with SPDB is another milestone in our collaboration with market participants in China. It will deepen ties through knowledge exchange and joint discovery of business opportunities. Our partnership with SPDB which is well-regarded within China's capital market for its outstanding performance and business innovation will not only raise Singapore's profile as an offshore centre and international exchange, but also support Chinese companies' capital-raising needs as they seek international opportunities and profiling."

Cui Bingwen said, "We hope that by working together with SGX, we can better serve Chinese corporates going global and help them tap international capital markets."

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