

SIAS governance award to reflect global standards

It will now include input from int'l managers, analysts

By **CAI HAOXIANG**

THE selection process of a corporate governance award given out by the Securities Investors Association (Singapore), or SIAS, has been changed from this year onwards.

Previously, the award's selection process assessed companies for whether they complied with and exceeded the recommendations of the Code of Corporate Governance here.

This time, the annual Singapore Corporate Governance Award will reflect the input of international

fund managers and analysts, as well as whether companies follow international best practices.

SIAS, a shareholder advocacy organisation, hopes that investors will benefit from the input of fund managers from around the world on whether the company they invest in is any good from a corporate governance perspective.

Shareholders want confidence that their investments would not fall in value due to scandal, said David Gerald, president and chief executive of SIAS.

"The objective (of the award) is to encourage investors to look at companies from another angle other than 'is the price going up?'" he said.

The award will be given out to 13 to 15 listed companies next month. It was first introduced in 2003 and the selection was done by the National University of Singapore Business School.

This year, SIAS developed a new scoring methodology with the Sim Kee Boon Institute for Financial Economics at Singapore Management University (SMU), as well as Brendan Wood International, a consultancy that helps clients measure how they perform in the capital markets.

Jeremy Goh, an SMU associate professor of finance, will lead a team that first screens listed companies here based on information available in the public domain on their commit-

ment to shareholders' rights.

They will also be assessed according to other international principles like whether shareholders are treated equitably, the roles of stakeholders, disclosure and transparency, and responsibilities of the board, said Dr Goh.

Brendan Wood, the consultancy, will then use a shareholder confidence index that they developed to rate the corporate strategy, board, CEO leadership, CFO, disclosure and other growth metrics to rank the companies.

They will draw on the views of a panel of major institutional shareholders and investment analysts.

Yap Boh Tiong, head of

public relations firm Mileage Communications, is Brendan Wood's managing director for Asia and will be involved in SIAS' selection process.

SIAS will also collaborate with Brendan Wood to select nine Singapore CEOs for its TopGun award.

Veteran auditor Kaka Singh, chairman of RSM Chio Lim LLP, said that including investors' voices in SIAS' corporate governance award will enable retail investors here to weigh the pros and cons of investing in bigger companies.

But smaller, less liquid companies tend not to be covered by funds and institutions, and the challenge remains to find a way to assess whether they are run well or not, he said.