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SBF calls for timing of reporting relief and clearer compliance requirements for the proposed Singapore Sustainability Disclosure Standards

Feedback from over 40 companies shows broad support for Singapore's climate-first approach, alongside concerns over the timing of publication of climate-related disclosures, data quality and assurance capacity.

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The Singapore Business Federation (SBF) is calling for three years of "timing of reporting relief" under the draft Singapore Sustainability Disclosure Standards (SDS), to allow companies to publish their climate-related disclosures (CRD) after their financial statements beyond the first year of reporting, and clearer guidance on the proposed statement of compliance with Singapore Financial Reporting Standard (SFRS) S2.

2. The recommendations draw on feedback from over 40 listed companies (ListCos) and large non-listed companies (Large NLCos). While businesses broadly support the draft standards' climate-first approach, they highlighted practical challenges in publishing their CRD and the related financial statements concurrently and uncertainty over the accountability expected of preparers and directors.

3. Companies cautioned that requiring CRD and financial statements to be published concurrently before reporting capabilities and assurance capacity are sufficiently developed could compromise disclosure quality and increase compliance costs.

4. SBF's recommendations are issued in response to the public consultation launched by the Accounting and Corporate Regulatory Authority (ACRA). The draft Singapore SDS, released on 27 July 2026 by the Interim Sustainability Standards Committee (Interim SSC) established by ACRA, are based on the International Sustainability Standards Board (ISSB) Standards, with proposed amendments to suit Singapore's climate-first approach.

Allow more time for companies to publish climate-related disclosures

5. SBF recommends implementing the "timing of reporting relief" under the Singapore SDS as follows:

- Until FY2030 for non-Straits Times Index (STI) constituent ListCos with market capitalisation of S$1 billion and above; and
- Until FY2032 for non-STI constituent ListCos with market capitalisation of less than S$1 billion and Large NLCos.

6. Under ACRA's proposal, companies would be required to publish their CRD and financial statements concurrently, from their first year of implementing the Singapore SDS. This is intended to facilitate connectivity between CRD and financial statements, and timely communication of information to users.

7. Businesses highlighted constraints in collecting timely climate data, particularly from overseas operations. Without the "timing of reporting relief", companies may have to rely on proxy data, potentially reducing the quality and usefulness of disclosures for investors and other users.

8. External limited assurance requirements for Scope 1 and Scope 2 greenhouse gas emissions would add to the time needed for companies subject to these requirements to finalise disclosures. Businesses raised concerns about higher costs for expedited assurance and whether Singapore's assurance ecosystem has sufficient capacity to support the concurrent publication of CRD and financial statements.

9. SBF's recommendation would give companies more time to build the systems, processes and capabilities needed to publish CRD and financial statements concurrently.

Clarify what companies and directors are required to issue

10. SBF also recommends clearer guidance on the nature, form and scope of ACRA's proposed "explicit and unreserved statement of compliance" with SFRS S2 in respect of applicable mandatory reporting requirements. The proposed statement is intended to hold companies accountable, provide users with a clear signal of compliance and establish a basis for assurance.

11. Businesses sought clarity on whether the statement is intended as a declaration that a company has applied SFRS S2, or whether it carries expectations that the disclosures represent a "true and fair" view.

12. They also called for guidance on the evidence needed to support the statement and the responsibilities of preparers, directors and others charged with governance.

13. **Mr Hu Ching, Head of SBF's Net Zero Transition Programme Office,** said: "Businesses support CRD that help them strengthen resilience and enhance competitiveness for a climate-impaired and carbon-constrained future. Businesses have provided practical suggestions to make implementation work. They need time to build reliable data systems and access assurance capacity. They also need clarity on what they are declaring, the evidence required and the responsibilities of their boards. Three years of "timing of reporting relief" in the Singapore SDS, together with clearer guidance on the statement of compliance, would help businesses deliver more useful disclosures while managing compliance costs."

Businesses support Singapore's climate-first approach

14. The large majority of ListCos and Large NLCos engaged by SBF supported ACRA's other proposals that align reporting requirements with Singapore's climate-first approach and reduce compliance burdens:

- **Incorporation of the climate relevant portions of SFRS S1 as an appendix in SFRS S2, with SFRS S1 being voluntary**: Businesses welcomed the focus on CRD as opposed to broader sustainability-related reporting, which could potentially be "overwhelming".
- **Removal of the "climate-first relief"**: With SFRS S1 remaining voluntary under ACRA's proposed two-standards structure, businesses recognised that this relief would have no practical application.
- **Extension of the "Scope 3 relief" to an ongoing relief**: Businesses supported this as Scope 3 greenhouse gas emissions reporting is voluntary for non-STI constituent ListCos and Large NLCos.
- **Making references to Sustainability Accounting Standards Board (SASB) Materials voluntary**: This would allow companies flexibility to decide whether to apply the materials according to their disclosure practices, without imposing additional compliance burdens.

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15. SBF gathered the feedback through three in-person roundtables in September 2026, co-organised with ACRA and SGX RegCo. SBF would also like to acknowledge and thank our Knowledge Partner, KPMG in Singapore.

Build up capabilities and resources behind credible reporting

16. Beyond the proposed standards, SBF emphasises that successful implementation depends on developing Singapore's wider climate reporting ecosystem.

17. Priorities include strengthening capabilities among sustainability practitioners, assurance providers and boards; developing career pathways and continuing professional development opportunities; and establishing institutionalised communities of practice.

18. Boards warrant particular support as they prepare to sign off on CRD. Directors are primarily selected for experience in areas such as finance, risk, audit or law, rather than sustainability.

19. ACRA's Sustainability Reporting Body of Knowledge and Sustainability Assurance Body of Knowledge provide foundations for training providers to develop quality programmes. The Council for a Competitive Climate Transition (C3T), a public-private platform led by the National Climate Change Secretariat (NCCS) and SBF, is also exploring avenues for green skills development.

20. C3T is developing a national-level central information infrastructure, which would contain user-friendly datasets (e.g. climate risk and carbon pricing data) to support companies in transition planning. This would help improve comparability and reduce duplicative efforts across companies. Following its successful policy advocacy last year to extend the implementation timelines for mandatory CRD, SBF will continue helping businesses to prepare for implementation.

21. SBF recognises that CRD can drive companies to formulate, communicate and implement strategies to manage climate risks and seize opportunities in a low-carbon economy. It will work with businesses, ACRA, SGX RegCo, the Economic Development Board, Enterprise Singapore, trade associations and chambers, training institutes and other stakeholders to build the partnerships, capabilities and resources needed to achieve this.

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About Singapore Business Federation (新加坡工商联合总会)

Singapore Business Federation (SBF) is the apex business chamber with over 34,000 members across diverse industries. With a vision to advance Singapore towards a globally competitive and sustainable economy, SBF mobilises the business community to be future-ready and magnify transformation opportunities through policy advocacy, partnership platforms and capability programmes.

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