

Legal Update

SGX RegCo Clarifies Forward Guidance: Myths, Expectations, and Practical Takeaways

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On 16 January 2026, SGX RegCo published a Regulator's Column emphasising the increasing importance of forward guidance, being clear and credible communication by issuers on future performance and strategy.

Against the backdrop of growing investor interest in Singapore equities and recent market-support initiatives, SGX RegCo encouraged issuers to use SGXNet to communicate future plans and outlook more clearly. It also noted that issuers can, and in appropriate cases should, consider providing forward guidance as part of their investor communications.

In this legal update, we highlight the key clarifications provided by SGX RegCo on the use of forward guidance and summarise what issuers should take into account when preparing forward-looking disclosures.



Clarification 1: Forward guidance is not discouraged

SGX RegCo has clarified that forward guidance is not discouraged and that issuers may, where appropriate, communicate their expectations of future performance to the market.

While such disclosures are not mandatory, SGX RegCo encourages guidance that is realistic, well supported and carefully derived.

Key features of an effective forward guidance:

- Assumptions underpinning any projections or estimates should be **reasonable and explainable if challenged**.
- Supporting sources may include **internal financial models, historical performance, prevailing market conditions and relevant industry data**.
- Guidance need not be limited to a single numeric figure; **ranges or qualitative descriptions** may be used where more appropriate.
- Where numerical forecasts are not feasible, issuers may provide **narrative guidance** on business strategy, key drivers or expected activity levels.
- Issuers should adopt **metrics suited to their business**, whether financial (e.g. revenue, earnings) or operational (e.g. assets under management, utilisation, project milestones).



Clarification 2: No auditor sign off required (except in limited circumstances)

SGX RegCo further clarifies that there is no general requirement under the Listing Rules for auditors to sign off on forward guidance.

Auditor involvement is only required in narrow and specific circumstances, such as where a vendor's profit forecast is used in a Chapter 10 transaction. Outside such contexts, responsibility for forward looking disclosures rests entirely with the issuer, taking into consideration the key features of an effective forward guidance set out above.



Clarification 3: Forward guidance does not need to be updated immediately

SGX RegCo also addresses the misconception that guidance must be updated immediately whenever circumstances change.

Issuers are not expected to revise their guidance at every development. Instead, they must promptly announce the occurrence of any material event or the emergence of firm evidence that actual results may materially deviate from prior guidance, and indicate whether earlier guidance remains reliable in light of the new information.

SGX RegCo further notes that it would be helpful for issuers to indicate, where possible, whether actual results are expected to be better or worse than the forward guidance. Details on the magnitude of the deviation and any revised projections may then be provided in the issuer's next financial results announcement or business update. SGX RegCo recognises that market conditions may sometimes be too uncertain for guidance to be meaningful and confirms that issuers may pause or cease providing guidance in such situations. Where they do so, they should explain the reasons clearly.

SGX RegCo also encourages issuers to report on their performance against previously communicated guidance, even where results are consistent with earlier expectations, as this fosters investor confidence and supports long term engagement.



What this means for you

The clarifications provided by SGX RegCo underscore the importance of establishing a clear and disciplined internal process for preparing and reviewing forward guidance.

Here are some key takeaways:

- Issuers should put in place a **clear and disciplined internal process** for preparing and reviewing forward guidance.
- Forward-looking disclosures should be supported by a **structured framework**, setting out underlying assumptions and basis.
- Assumptions and messaging should be **reviewed by relevant internal teams** and approved at the appropriate level, including the board where necessary.
- Issuers may consider **internal triggers or escalation thresholds** to assess whether existing guidance remains reliable.
- Forward guidance should be released **first via SGXNet** to ensure equal access to information.
- Messaging should be **consistent across all investor communications**, including presentations, websites and analyst or shareholder discussions.
- After issuance, issuers should **monitor developments closely** and make timely announcements if material deviations arise.
- Where conditions become too volatile or uncertain, issuers may **pause guidance**, with clear disclosure of the reasons.

Forward guidance is broader and flexible. While profit guidance focuses narrowly on financial outcomes, forward guidance allows issuers to communicate strategy, business drivers and expected trends using both quantitative and qualitative indicators. When thoughtfully prepared and supported by reasonable assumptions, forward guidance can enhance market understanding.

Issuers should therefore view forward guidance as a strategic investor communication tool to strengthen investor confidence and support a clearer understanding of the issuer's future trajectory.

The full Regulator's Column can be accessed [here](#).

For further information, contact:**Claudia Teo**

Partner & Head, Corporate and Financial Services Regulation
ClaudiaTeo@harryelias.com
+65 6361 9845

**Huang Zhihao**

Partner, Corporate and Financial Services Regulation
ZhihaoHuang@harryelias.com
+65 6361 9869

**Eugene Tai**

Senior Associate, Corporate and Financial Services Regulation
EugeneTai@harryelias.com
+65 6361 9304

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