CAPITAL MARKETS | CORPORATE & COMMERCIAL | SUSTAINABILITY

ACRA Consults on Singapore Sustainability Disclosure Standards

Executive Summary

On 27 July 2026, ACRA's Interim Sustainability Standards Committee ("**Interim SSC**") launched a public consultation on the draft Singapore Sustainability Disclosure Standards ("**Singapore SDS**"), closing on **25 October 2026**. The draft Singapore SDS are based on International Sustainability Standards Board ("**ISSB**") Standards with targeted adjustments for Singapore's context. The Singapore SDS will apply to Singapore-incorporated companies subject to mandatory climate reporting requirements according to the following timelines:

1. For **listed companies**: from financial years commencing **on or after 1 January 2028**; and
2. For **large non-listed companies**: from financial years commencing **on or after 1 January 2030**. Large non-listed companies refer to Singapore-incorporated companies limited by shares, that are not listed on the Singapore Exchange, with annual revenue of at least S$1 billion and total assets of at least S$500 million.

This development follows the implementation roadmap for climate reporting requirements announced by the Accounting and Corporate Regulatory Authority ("**ACRA**") and Singapore Exchange Regulation ("**SGX RegCo**"). For more information, please refer to our August 2026 Legal Update titled "Climate Reporting Timelines Extended for Listed Issuers by Tiers from FY 2025, Large Non-Listed Companies to Follow from FY 2030".

This Update summarises the key proposals regarding the Singapore SDS which companies should note and prepare for.

Background

In 2022, ACRA and SGX RegCo established a Sustainability Reporting Advisory Committee to develop a roadmap for mandatory climate reporting and assurance. Implementation timelines were adjusted in August 2025 to give companies more time to build capabilities for climate reporting. Mandatory reporting is scoped to climate disclosures for a start, with broader sustainability reporting remaining voluntary. In May 2025, ACRA established the Interim SSC to develop Singapore's sustainability disclosure and assurance standards in line with international standards.

Key Proposals

Two-standards Structure

The draft Singapore SDS comprise two standards:

1. Draft Singapore Financial Reporting Standards ("**SFRS**") S1 *General Requirements for Disclosure of Sustainability-related Financial Information* which sets out disclosure requirements for companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term; and
2. Draft SFRS S2 *Climate-related Disclosures* which sets out specific requirements for climate-related disclosures.

The climate-relevant portions of draft SFRS S1 are incorporated as an appendix in draft SFRS S2 (Appendix D). This allows SFRS S2 to operate as a standalone standard covering all climate-related disclosure requirements. Companies subject to mandatory climate reporting will therefore only need to refer to SFRS S2. SFRS S1 (which covers broader sustainability disclosures beyond climate) will be voluntary.

Amendments to Transition Reliefs

- **Removal of "timing of reporting relief"**: International Financial Reporting Standards ("**IFRS**") S1 paragraph E4 permits an entity to publish its sustainability-related financial disclosures after its related financial statements in the first annual reporting period in which it applies the standard. This relief is proposed to be removed so that climate-related disclosures are reported concurrently with financial statements. In practice, this will require closer coordination across finance, sustainability, legal and governance functions.

- **Removal of "climate-first relief"**: IFRS S1 paragraph E5 permits an entity to disclose only climate-related risks and opportunities (in accordance with IFRS S2) in the first annual reporting period in which it applies the standard. As SFRS S1 will be voluntary, this relief has no practical application and is proposed to be removed.

- **Extension of "Scope 3 relief" to ongoing relief**: IFRS S2 paragraph C4(b) provides a one-year relief from disclosing Scope 3 greenhouse gas ("**GHG**") emissions in the first annual reporting period in which an entity applies the standard. Scope 3 GHG emissions reporting is mandatory for the Straits Times Index constituents from financial year 2026, and the timelines for other listed and large non-listed companies have not been determined. The proposed extension gives ACRA and SGX RegCo the flexibility to mandate Scope 3 disclosures as market readiness improves. Though this may defer mandatory Scope 3 disclosures for some companies, they should continue building Scope 3 capabilities.

Limiting the Requirement for a Statement of Compliance to SFRS S2

The Interim SSC proposes to require entities to make an explicit and unreserved statement of compliance with SFRS S2 in respect of their applicable mandatory reporting requirements. An entity that voluntarily applies SFRS S1 may also make a statement of compliance with the full suite of Singapore SDS.

SGX RegCo presently encourages but does not require listed companies to make a statement of compliance with the ISSB Standards, and will review this transitional measure to align the SGX Listing Rules with the final Singapore SDS upon issuance.

References to SASB Materials to be Voluntary

The Interim SSC also proposes to amend the references to Sustainability Accounting Standards Board ("**SASB**") Materials in the draft Singapore SDS from mandatory to voluntary. SASB Materials comprise the SASB Standards and the Industry-based Guidance on Implementing IFRS S2 (IFRS S2 Industry-based Guidance).

Implementation

ACRA is concurrently preparing the necessary legislation to implement Singapore's climate reporting and assurance requirements. Prior to issuance of the Singapore SDS, listed companies will continue to report in accordance with their existing obligations under the SGX Listing Rules, including the requirement to apply the ISSB Standards. Once issued, companies will either transition to the Singapore SDS from their existing reporting obligations or adopt it directly.

Companies should assess whether their current reporting processes, data controls and governance arrangements can support timely climate disclosures alongside financial reporting.

Singapore enterprises or investors looking to secure decarbonisation projects can tap on our ESG legal fee subsidy under the Sustainability Legal Catalyst Programme with Enterprise Singapore. Terms and conditions apply. You can reach out to us at info.slcp@rajahtann.com.

If you have any queries on the above, please reach out to our team set out on this page.

For regional Capital Markets, Corporate & Commercial and Sustainability matters, please see Rajah & Tann Asia's Capital Markets Practice Group, Corporate & Commercial Practice Group and Sustainability Practice Group for more information.

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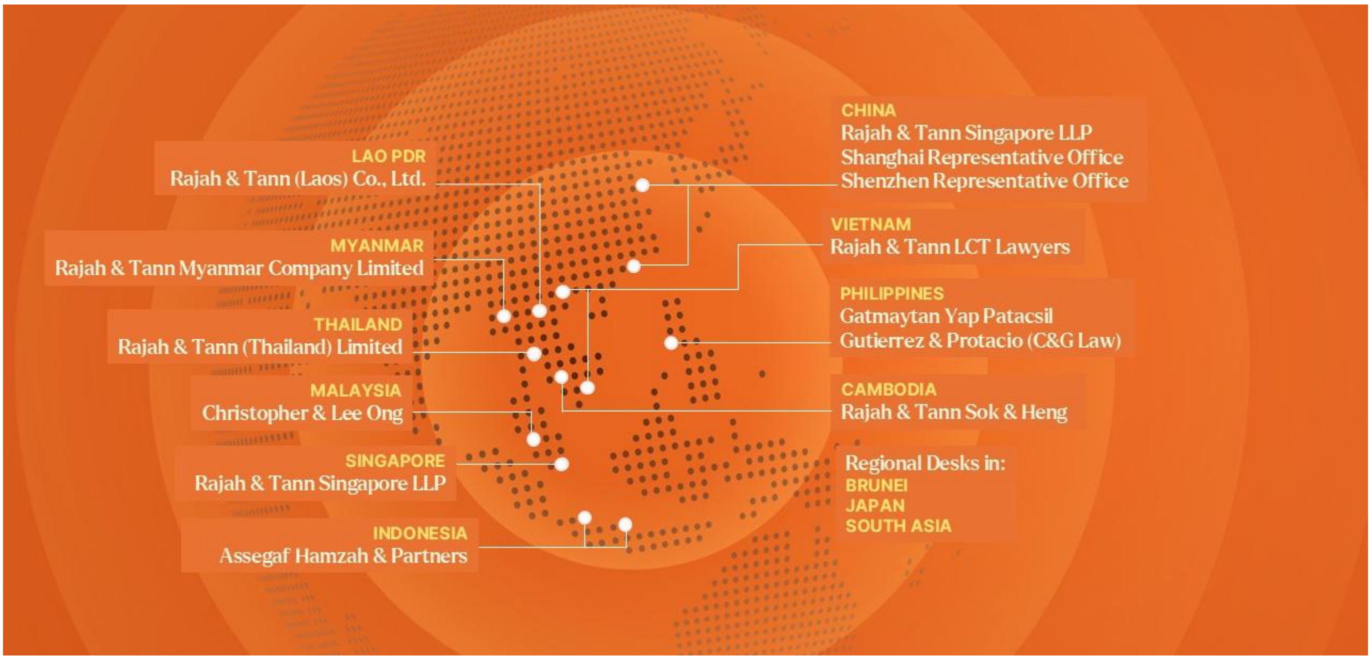

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