

SGX, VC firm to set up crowdfunding platform for SMEs
Straits Times by Grace Chng 27 January 2015 ([Media Coverage 1](#))

Facility aimed at helping start-ups, SMEs meet accredited investors

FLEDGLING firms will soon have a new option here to secure crucial funding to expand their businesses.

The Singapore Exchange (SGX) is teaming up with Clearbridge Accelerator (CBA), a high-tech venture capital (VC) firm, to set up what SGX says is a world-first crowdfunding platform by mid- year.

Crowdfunding is the fast-growing practice of attracting large numbers of potential investors by publicising a business idea online.

The yet-to-be-named platform is aimed at making it easier for start-ups and small and medium-sized enterprises (SMEs) here to meet accredited investors. The SGX and CBA inked a memorandum of understanding last week. A test run is due some time between April and June.

Industry observers welcomed the move as it will improve access to funding and open new avenues of investment.

Vickers Venture Partners managing director Jeffrey Chi said it will provide investors with liquidity in their investments, which in turn will promote further investments in start-ups.

Venture capitalist Lim Kuo-Yi of Monk's Hill Ventures said the new platform will attract new investors, especially those who "may not be aware or know how to access some of these investment opportunities".

Fund-raising will also become easier for entrepreneurs, said Mr Leo Shimada, founder of crowdfunding platform Crowdonomic, which is a rewards-based crowdfunding platform here.

Under the traditional system, it takes six to nine months to raise funds as start-ups meet about 300 investors, which get whittled down to about 10.

He said negotiations begin at this stage - a laborious process meaning entrepreneurs cannot focus on building their companies.

"This platform bridges entrepreneurs and investors. If both parties meet on this platform, like what they see and agree on a transaction, it will dramatically reduce the fund-raising time," he said.

But industry observers note the platform must also protect both investors and entrepreneurs.

The SGX-CBA partnership provides a formal structure where investors can buy equity in start-ups and SMEs, and have the shares stored in a central depository. It is a "closed" equity crowdfunding platform in that it is not open to all and sundry, but only to accredited investors.

Financial rules here do not allow equity crowdfunding campaigns aimed at individuals here.

SGX head of SME development and listings Mohamed Nasser Ismail told The Straits Times that the "closed" crowdfunding platform is the first in the world set up by a stock exchange and VC firm.

The SGX is best placed to set up this new facility, he said, because it is already involved in raising capital for SMEs through the Catalist, SGX's junior board. "It is more or less the same kind of business for us, only slightly different in that we are going out to get funding from accredited investors."

Besides, the SGX has the know-how, experience and reputation in raising capital. The platform has been constructed to provide end-to-end services, he said. "We can match companies to investors, we will check that funds will be properly allocated, and our shares depository will ensure that the shares are properly kept."

Dr Steven Fang, a partner at CBA, said: "We understand the investment risk for investors. That is why we are opening this platform to accredited investors only and to companies that have revenue streams and are profitable or near profitability."

The SGX-CBA platform also addresses an immediate need as many start-ups founded in the recent years are maturing and are ready for business expansion. Dr Fang said: "As an entrepreneur and investor, I have built companies, and we see there is a gap for funding for post-Series A investment."

Post-Series A funding refers to multi-million-dollar investments by VC firms in companies which have commercially viable products and services, but require funds to expand quickly.

Dr Fang said the new facility will help start-ups and SMEs find the "smart money", the investors who can help firms get access to markets and customers. "You can hire the best PhDs and have the best technology in the market. But without smart money, the companies will be challenged and will be put in a position of trying to catch up."

He said smart money will bring experienced managers who will mentor entrepreneurs on developing their businesses.

"By providing the funding and mentoring, we hope to accelerate the growth of these companies, which in turn could later list on SGX," he said.

Details such as the equity structure between SGX and CBA, who will lead it, how it will work and the list of investors will be announced closer to the launch date. Start-ups and SMEs which are likely to qualify must have revenue and products and services that are commercially viable. They must also be profitable or at least nearly in the black.

STARTUPS; SGX, Clearbridge to launch equity crowdfunding platform Business Times by Jacquelyn Cheok 27 January 2015 ([Media Coverage 2](#))

SINGAPORE Exchange (SGX) is partnering venture capital and incubation firm Clearbridge Accelerator (CBA) to develop an equity crowdfunding (ECF) platform for entrepreneurs and SMEs to raise capital.

Believed to be the first such platform led by a stock exchange, it allows individual investors to invest in companies in return for shares.

"The ECF platform is a new channel for growth-stage firms in Asia to raise Series A and B money - a funding crunch that is real and immediate - and for traditional investors to explore fresh business ideas and investment options," Mohamed Nasser Ismail, head of SME developments and listings at SGX, told BT.

The joint venture, said CBA managing partner Johnson Chen, signals the next step in CBA's role of supporting startups: helping them to raise the necessary capital to grow their companies. "CBA is built by entrepreneurs, and has since 2010 guided companies from inception to capital markets. Our medtech background notwithstanding, we support this all-inclusive, non-sector-specific platform," he said.

For now, the platform will be open only to accredited investors (individuals with net personal assets of over S\$2 million or annual incomes of above S\$300,000, or corporations with net assets exceeding S\$10 million), a "sizeable pool" comprising high net worth individuals and family offices, said Mr Mohamed.

That these investors can transact on the new ECF platform via SGX's central depository signifies administrative convenience, cost savings and limited operational risk, he added.

Meanwhile, other mechanics of the platform are still evolving.

SGX and CBA are in the midst of identifying and forming a strategic equity partnership with an "experienced platform operator" and industry stakeholders to operate the new set-up. They will also partner other collaborators to create investor demand for the platform's capital offerings.

This is an exciting ground-up initiative led by a "dream team", said Steven Fang, a partner at CBA. He told BT that he wished such a platform existed some 10 years ago when he founded cord blood banking firm CordLife, as entrepreneurs who are distracted by having to raise post-Series A money cannot afford to focus on improving their products and growing their companies.

"Information will be paramount. The new platform will ensure that companies share all required information with investors so the latter can make smart decisions . . . which in a way, also helps to mould better quality companies," said Mr Fang. "For instance, it encourages companies to put out announcements in a more timely and automated fashion."

The platform, likely to launch in the middle of this year, is backed by Spring Singapore as part of its efforts to make the financing environment more conducive to SMEs and entrepreneurs.

Said Edwin Chow, executive director of Spring's innovation and startups group: "With the development of such a platform, we hope to interest more investors to consider the value proposition of local enterprises. The presence of a robust financing landscape and involvement from the private investor community complement our efforts in . . . strengthening our pro-enterprise environment."

ECF platform: 'Is S'pore ready to value startups?'

Business Times by Jacquelyn Cheok 27 January 2015 (Media Coverage 3)

WHILE an overall positive addition to Singapore's entrepreneurial and financing landscape, the new equity crowdfunding (ECF) platform proposed by Singapore Exchange (SGX) and venture capital and incubation firm Clearbridge Accelerator on Monday elicited investment and demand concerns that led to market watchers pondering a bigger question: Is Singapore ready to value startups?

Said Stefanie Yuen Thio, joint managing director at TSMP Law Corporation: "This platform will be a strategic opportunity to bridge the gap between old school market participants - who

still think in terms of price-earnings ratios - and the business giants of tomorrow, the tech companies."

Tech companies are not valued based on profits but on their reach, growth potential and revenues, with profitability usually far down the road, she added. "If this platform is intended to nurture startups and encourage them to list in Singapore, then investors have to understand how these companies should be valued. It's a great first step, though."

Agreeing, Robson Lee, partner at Shook Lin & Bok, said the platform will engender new entrepreneurs and educate new investors on the risks and rewards of investing in promising startups, thus enhancing the vibrancy of Singapore's securities market when these startups eventually list.

That SGX has the financial means to cope with small deal flows and competitive fees, experience in venture investments, and the institutional know-how to set up systems to manage fund-raisings from ventures of different industries and investors with different expectations, risks appetites and investment knowledge, makes it well-suited to be a joint operator, Mr Lee said.

But as the only stock exchange in Singapore, SGX should be mindful not to build an alternative investment market that will impede the growth of its own Catalist market, he cautioned.

Moreover, Singapore now has a unique chance to host two distinctly positioned but complementary ECF platforms, said Leo Shimada, co-founder of two-year-old homegrown platform Crowdonomic.com.

"On one hand, we have Crowdonomic.com representing a new breed of crowdfunding tech startups and aiming to improve early-stage capital formation through technology and a network of value-add investors. On the other hand, we have the new SGX set-up where traditional institutions embrace crowdfunding and add value through the transfer of know-how and transaction infrastructure."

Meanwhile, limiting the ECF platform to accredited investors may ensure that retail investors are protected, said Ms Yuen Thio, but a challenge would be to make investments on the platform attractive to, and build a critical mass of, these accredited investors, who already have access to a host of investment opportunities.

Even so, these accredited investors have different financial literacy levels and little experience in investing in illiquid assets that may not have any exit routes save for a corporate takeover or eventual listing. Many of such investments may even fail, leading to a total loss of invested funds, said Mr Lee.

"Business founders and investors must therefore perform due diligence checks to ensure that there is clarity of purpose and alignment of expectations. The platform operator must have comprehensive processes to weed out potentially fraudulent ventures and admit only bona fide ones, without having stifling rules and criteria that may undermine the platform's viability," Mr Lee urged.

There's also the potential of fraud risks, he noted, hence urging the government to provide a regulatory framework for ECF platforms which will penalise the provision of false or misleading information, for instance.

While this has been recently proposed in Malaysia, and already implemented in Australia, New Zealand and the United States, the Monetary Authority of Singapore is monitoring

developments in other jurisdictions and working with Spring Singapore to develop an appropriate regulatory framework for ECF.

SGX launches equity crowdfunding JV for smaller firms
TODAY 27 January 2015 (Media Coverage 4)

The Singapore Exchange (SGX) is gearing up its efforts to support smaller firms and entrepreneurs here by establishing a partnership with venture capital Clearbridge Accelerator (CBA) to develop what they say is a one-of-its-kind equity crowdfunding platform in Asia.

The platform will allow entrepreneurs and small and medium enterprises (SMEs) to raise funds, while giving investors the opportunity to participate in the growth of these companies, SGX and CBA said yesterday.

“This new capital-raising platform is positioned to address the financing gap that entrepreneurs currently face at a pre-IPO (initial public offering) stage. The platform will provide both entrepreneurs and investors a more efficient manner in which they can raise capital or discover investment opportunities,” said Mr Mohamed Nasser Ismail, SGX’s head of SME development and listing.

“Investors will benefit from the growth of the companies, whether they eventually are acquired through corporate transactions such as mergers and acquisitions or successfully list on a stock exchange like SGX’s Catalist or Mainboard,” he added.

SGX and CBA have signed a memorandum of understanding to form a joint-venture company to develop the proposed platform. The announcement of the partnership came less than a week after the bourse posted its first quarterly growth in more than a year in the three months ended December. SGX said unlike its Catalist and Mainboard where there is continuous trading activity, the new platform is solely for companies to seek funding. But the venture could be a potential feeder board for listings on the exchange.

CBA’s managing partner Johnson Chen said the two parties hope the platform will attract not just entrepreneurs and SMEs from Singapore, but those from the region as well. However, eligibility criteria for companies are still being finalised.

SGX plans capital-raising platform for smaller firms
Channel NewsAsia 26 January 2015 (Media Coverage 5)

SINGAPORE: The Singapore Exchange (SGX) is partnering Clearbridge Accelerator (CBA) to develop a capital-raising platform for entrepreneurs and small and medium-sized enterprises (SMEs) in Asia. This move to help smaller firms raise funds is a new business area for SGX.

SGX said on Monday (Jan 26) it signed a Memorandum of Understanding (MoU) with CBA, a Singapore venture capital and incubation firm specialising in early-stage investments. Under the agreement, both parties will form a joint-venture (JV) company to develop the fund-raising platform, which aims to address financing gaps SMEs and entrepreneurs face by providing the investing community with greater transparency.

The JV will identify and form a strategic equity partnership with an experienced platform operator and industry stakeholders such as financial institutions to operate the new capital-raising platform. It will also identify other partners and collaborators to create demand among investors for the offerings on the platform, according to the press release.

The move to help smaller firms raise funding marks the entry of SGX into a new business area. Besides operating the stock market, which caters to the equity needs of more established firms, SGX also offers a platform for bonds as well as derivatives and commodities.

Enterprise development agency SPRING Singapore will play a supporting role in the formation of the JV, as part of its ongoing efforts to make the financing environment more conducive to SMEs and entrepreneurs, the press release added. - CNA/ac

Singapore Exchange: In Pact With Clearbridge Accelerator to Help Firms Raise Funds
Dow Jones Institutional News by Gaurav Raghuvanshi 26 January 2015 ([Media Coverage 6](#))

Copyright © 2015, Dow Jones & Company, Inc.

SINGAPORE--Singapore Exchange Ltd. (S68.SG) Monday said it has signed a deal with Clearbridge Accelerator Pte. Ltd. to develop a capital-raising platform for entrepreneurs and small and medium-sized firms in Asia.

Clearbridge is a Singapore-based venture capital and incubating firm that specializes in early-stage investments.

The Clearbridge and Singapore Exchange joint-venture firm will fill funding gaps for smaller firms, Singapore Exchange said in a statement.

The platform will identify and form a strategic equity partnership with an experienced platform operator and industry stakeholders such as financial institutions to operate the platform.

Enterprise development agency SPRING Singapore will play a supporting role in the formation of the venture.

SGX and Clearbridge Accelerator in JV to plug funding gap
Digital News Asia Jan 26, 2015 ([Media Coverage 7](#))

- JV company to develop regional capital-raising platform for entrepreneurs, SMEs
- To also identify and form strategic equity partnerships with industry stakeholders

THE Singapore Exchange (SGX) said it has signed a Memorandum of Understanding (MoU) with Clearbridge Accelerator Pte Ltd (CBA), a venture capital and incubation firm specialising in early-stage investments.

Under the MoU, SGX and CBA propose to form a joint-venture (JV) company to develop a fundraising platform which aims to address financing gaps faced by SMEs (small and medium enterprises) and entrepreneurs.

It would do this by providing transparency and more efficient access among the investing community, the two parties said in a statement.

The proposed JV will identify and form a strategic equity partnership with an experienced platform operator and industry stakeholders such as financial institutions to operate the new capital-raising platform, SGX and CBA said.

The JV will also identify other partners and collaborators to create investor demand for the capital offerings on the platform.

Enterprise development agency SPRING Singapore will play a supporting role in the formation of the JV, as part of its ongoing efforts to make the financing environment more conducive to SMEs and entrepreneurs, they added.

“We are excited about this opportunity to work with Clearbridge Accelerator to help companies access capital more easily and become a pan-Asian platform to support equity crowdfunding,” said Mohamed Nasser Ismail, head of SME Development & Listings at SGX.

“SGX has a long history of supporting entrepreneurs: Our Catalist board is a much sought-after avenue for SMEs to raise funds.

“This new platform will not only expand our suite of fundraising services but also enable us to support entrepreneurs and SMEs at every stage of their growth,” he added.

Launched in early 2010, CBA invests in healthcare, infosecurity and technology companies. Supported by the National Research Foundation’s Technology Incubation Scheme, it provides funding, mentorship, operational and execution discipline.

“This joint venture with SGX represents the next step in Clearbridge Accelerator's objective of supporting visionary entrepreneurs in Singapore to raise the necessary capital and grow their companies to a higher level,” said CBA managing partner Johnson Chen.

“We look forward to providing expertise in early-stage investments, mentoring and accelerating new ventures, as well as our extensive local and regional networks within the startup ecosystem, investor community and relevant government agencies,” he added.

Stock Exchange Embraces Crowdfunding as SGX and Clearbridge Accelerator Launch JV

“Already a home to raising capital, it's a natural progression for stock exchanges to embrace crowdfunding. In a sign of the times, the SGX has partnered with Clearbridge Accelerator to create a crowdfunding JV”

Forex Magnates

Jan 26 2015 by Ron Finberg in Crowdfunding, Executing Venue (Media Coverage 8)

Yesterday we reported that RBS was kicking off a program this week to refer small and medium enterprise (SME) customers who didn’t meet their loan criteria to P2P lenders. The news marked a milestone in that a major UK bank with around 33% of the small business lending market was embracing alternative lending models for its customers.

In a different but similar announcement that shows times are changing amidst the merging of traditional and innovative finance models, the Singapore Exchange (SGX) has announced that it is partnering with Clearbridge Accelerator Pte Ltd. (CBA) to develop a crowdfunding platform. The joint venture crowdfunding platform is aiming to provide a capital raising vehicle for entrepreneurs and SMEs in ASIA.

Under the terms of the partnership, the SGX and CBA will together form a new joint venture company to develop the fund-raising platform. According to the SGX, the venture will seek to form a strategic equity partnership with an experienced platform operator and industry stakeholders, such as financial institutions, in order to operate the new capital-raising

platform, as well as solicit other partners to create investor demand. The venture is being assisted by SPRING Singapore, a government-sponsored agency that helps local firms grow.

For the SGX, the partnership marks an extension of using their experience as an intermediary for SME firms to raise capital and extending it to include off-exchange opportunities such as crowdfunding. On this, SGX's Head of SME Development & Listings Mohamed Nasser Ismail stated, "We are excited about this opportunity to work with Clearbridge Accelerator to help companies access capital more easily and become a pan-Asian platform to support equity crowdfunding. SGX has a long history of supporting entrepreneurs: our Catalist board is a much sought-after avenue for SMEs to raise funds. This new platform will not only expand our suite of fund-raising services but also enable us to support entrepreneurs and SMEs at every stage of their growth."

Adding to this comment, Clearbridge Accelerator Managing Partner Johnson Chen stated, "Clearbridge Accelerator will work closely with SGX to grow this into a premier capital-raising platform for entrepreneurs and SMEs in Singapore and the region."

[星洲网首頁](#) > [財經](#) > [即時國際財經](#)

新交所和創投公司聯設立集資平台

2015-01-26 ([Media Coverage 9](#))

(新加坡 26 日訊) 新加坡交易所 (SGX) 將與創業投資兼孵化公司 Clearbridge Accelerator 合作，為亞洲的企業家和中小企業開發籌集資本的平台。

雙方已簽署合作備忘錄，將設立聯營公司開發這個平台，解決企業家和中小企業所面對的集資挑戰。標新局將在這家聯營公司的設立方面扮演支援的角色。(聯合早報網)

新加坡交易所将为亚洲中小型企业 设立集资平台

26/01/2015 ([Media Coverage 10](#))

新加坡交易所将为亚洲中小型企业，设立集资平台。

新交所同明策集团 Clearbridge Accelerator 签署谅解备忘录，成立联营企业，发展集资平台。

明策集团是专门发掘、投资和培养起步企业的公司。

SGX teams up with Clearbridge Accelerator to facilitate fund raising for entrepreneurs and SMEs

Singapore Business Review

FINANCIAL SERVICES 26 Jan 15 ([Media Coverage 11](#))

It will address financing gaps for SMEs. Singapore Exchange has inked a Memorandum of Understanding (MOU) with Clearbridge Accelerator, a venture capital and incubation firm, to develop a capital-raising platform for entrepreneurs and small and medium-sized enterprises in Asia.

Under the MOU, SGX and CBA propose to form a joint-venture company to develop the fund-raising platform, which aims to address financing gaps SMEs and entrepreneurs face by providing transparency and more efficient access among the investing community.

Enterprise development agency SPRING Singapore will play a supporting role in the formation of the JV, as part of its ongoing efforts to make the financing environment more conducive to SMEs and entrepreneurs.

SGX to facilitate fundraising for entrepreneurs, SMEs in Asia

The Edge Markets by Frankie Ho January 26, 2015 ([Media Coverage 12](#))

SINGAPORE (Jan 26): The Singapore Exchange has teamed up with Clearbridge Accelerator to develop a fund-raising platform for entrepreneurs and small- and medium-sized enterprises in Asia.

Clearbridge is a Singapore-based venture capital firm that invests in healthcare, data security and technology companies. It manages a \$40-million fund for medical technology startups.

SGX and Clearbridge will form a joint venture to identify and form a strategic-equity partnership with an experienced operator to run the capital-raising platform, the bourse operator said in a statement today.

Other parties, including financial institutions, will be roped in. Government agency Spring Singapore will also be involved.

"With the development of such a platform, we hope to interest more investors to consider the value proposition of our local enterprises," Edwin Chow, executive director of Spring Singapore's innovation and start-ups group, said in the statement.

SGX in joint venture to launch equity crowdfunding platform for entrepreneurs and SMEs in Asia

The Straits Times, Business Jan 26, 2015 ([Media Coverage 13](#))

SINGAPORE - The Singapore Exchange (SGX) announced on Monday (Jan 26) that it is partnering Clearbridge Accelerator Pte Ltd (CBA) to develop a capital-raising platform for entrepreneurs and small and medium-sized enterprises (SMEs) in Asia.

SGX has signed a memorandum of understanding with CBA, a Singapore venture capital and incubation firm specialising in early-stage investments. Under the MOU, SGX and CBA will form a joint-venture (JV) company to develop the fund-raising platform, which aims to address financing gaps SMEs and entrepreneurs face by providing transparency and more efficient access among the investing community.

The proposed JV will identify and form a strategic equity partnership with an experienced platform operator and industry stakeholders such as financial institutions to operate the new capital-raising platform. It will also identify other partners and collaborators to create investor demand for the capital offerings on the platform. Enterprise development agency SPRING Singapore will play a supporting role in the formation of the JV, as part of its ongoing efforts to make the financing environment more conducive to SMEs and entrepreneurs.

Said Mohamed Nasser Ismail, head of SME Development & Listings "This new platform will not only expand our suite of fund-raising services but also enable us to support entrepreneurs and SMEs at every stage of their growth."

Singapore bourse to launch equity crowdfunding platform Nikkei Asian Review by Tomomi Kikuchi 27 Jan 2015 (Media Coverage 14)

SINGAPORE -- [Singapore Exchange](#) plans to launch an online capital-raising platform for Asian entrepreneurs and small to midsize enterprises (SMEs).

The bourse announced on Monday that it will form a joint venture with Clearbridge Accelerator, a Singapore-based venture capital and incubation firm. The joint venture will create a platform that will serve as a matchmaker between investors and small companies.

The platform will focus on equity investments. Unlike other crowdfunding websites such as Kickstarter, which can be used by individuals as well as companies, SGX's platform will likely allow only accredited investors and companies that meet certain criteria to join. Those who are experienced in startup investments and mentoring young companies will be on the platform to assist entrepreneurs in expanding their businesses.

Traditionally, company owners search for potential investors through networking. SGX's new platform aims to create a faster and more efficient financing platform to match company owners with investors. "The fundraising platform ... aims to address financing gaps that SMEs and entrepreneurs face by providing transparency and more efficient access among investing community," said SGX in a statement.

SGX's new venture is in line with the bourse's strategy to attract more investors and firms from Southeast Asia and beyond and to strengthen Singapore's position as a regional hub for investment activities. "We are excited about this opportunity ... to help companies access capital more easily and become a pan-Asian platform to support equity crowdfunding," said Mohamed Nasser Ismail, head of SME development & listings at SGX.

Singapore equity crowdfunding platform for SMEs, entrepreneurs will be 'first in the world'

The Straits Times, Business by Grace Chng Jan 26, 2015 ([Media Coverage 15](#))

SINGAPORE - A private capital raising platform will be set up to address the challenges to fund raising faced by start-ups and small and medium-sized firms.

The facility will bridge entrepreneurs to accredited investors like private equity, corporate funds, institutional firms and family offices.

It provides a formal structure where investors can buy equity in start-ups and SMEs and have the shares stored in a central depository.

Start-ups and SMEs who are likely to qualify must have revenue and products and services that are commercially viable. They must also be profitable or near to profitability. The facility is open to any start-up or SME here as well as others from overseas.