

Keeping the capital markets running

By JONATHAN KWOK

A RELATIVELY low-profile Singapore company is proving that playing the less glamorous role of secretary to other listed companies can be a lucrative business.

In the hurly-burly of share trading, most investors pay little or no attention to corporate secretarial and share registry services that are like the oil that keeps the cogs of the capital markets turning.

Singapore-listed Boardroom, a large player in this space, has been making rapid progress – first in the region, and now among European companies.

Boardroom's services include accounting, tax advisory and compliance, internal audit and risk management, and helping to incorporate companies.

It is the share registrar for about half of the 800 or so listed companies here and acts as company secretary to 20 to 25 per cent.

"A lot of companies outsource these functions so they can focus on their businesses," said Mr Kim Teo, chief executive of Boardroom. "There are some architects for the marketplace, and we are the engineers. We help to provide the infrastructure, we help companies to get things done."

Boardroom's corporate secretarial services involve helping to ensure that firms comply with various statutory and regulatory requirements.



Capita Registrars' CEO of shareholder services Charles Cryer (left) with Boardroom CEO Kim Teo. The two companies, which have partnered each other, perform business functions outsourced by firms. PHOTO: LIM YAOHUI FOR THE STRAITS TIMES

As share registrar, it keeps records of shareholders for listed companies, and helps to communicate with them.

Boardroom is also involved in the processing of initial public offerings and corporate actions.

In recent years, Boardroom's business has been expanding to regional markets such as China, Australia, Hong Kong and Malaysia.

"We want to provide a service to clients, and be with them as they expand. To do this, we need to grow with them as they regionalise, and also expand our suite of services to them," said Mr Teo.

More recent services beyond its traditional businesses include tax advisory and compliance, as well as internal audit and risk management.

The company and its units service more than 5,500 private and listed companies in the region.

To further widen its geographical reach, Boardroom in February announced a tie-up with Capita

Group, a London-based company that similarly performs business functions outsourced to it by firms.

Capita, a constituent of London's blue-chip FTSE 100 Index, will refer to Boardroom its customers seeking to expand to Asia, so the company can help provide services here. Boardroom will reciprocate when its clients want to expand to Europe.

While many European companies wish to expand to Asia to ride on the region's growth, Asian companies are also buying over subsidiaries and property in Europe amid the debt crisis there.

Boardroom and Capita can help in many administrative processes, such as setting up offshore vehicles and accounting.

Already, there have been some cross-referrals of clients between the two companies.

Beyond this "single, joint solution", another big part of the deal involves the two companies sharing best practices and industry

knowledge, said Mr Charles Cryer, chief executive of shareholder services at Capita Registrars, a major subsidiary of Capita.

For example, Capita provides many services to exchange traded funds (ETFs) in Europe, where the ETF market is more developed. It could help Boardroom to expand more in this area as the Asian ETF market develops, said Mr Cryer.

Boardroom and Capita have started a joint roadshow to tell companies about their partnership.

They have been to Europe, Hong Kong and Singapore, and mainland China, Malaysia and Australia are some of their next stops.

For the third quarter to March 31, Boardroom's net profit was \$1.72 million, down 2.6 per cent from a year earlier.

Despite a rise in revenue, profit was affected by higher staff costs from investments in new areas of business, such as tax and internal audit.

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