

Principle

Implementation

A. Legal framework, objectives, and coordination with macroeconomic policies

<p>1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).</p> <p>1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.</p> <p>1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.</p>	<p>GIC's legal framework is detailed in the Singapore Companies Act, under which GIC was incorporated in 1981. GIC is wholly owned by the Government of Singapore. An Investment Mandate from the Government to GIC sets out the terms of appointment, investment objectives, investment horizon, risk parameters and investment guidelines for managing the portfolio. The Singapore Companies Act is available at http://statutes.agc.gov.sg/</p> <p>GIC's legal relationship with the Government of Singapore is disclosed on our website and in our Annual Reports: http://www.gic.com.sg/newsroom/reports</p>
<p>2. The policy purpose of the SWF should be clearly defined and publicly disclosed.</p>	<p>GIC's purpose is clearly defined; we aim to achieve good long-term returns for the Government - a reasonable risk-adjusted rate above global inflation over a 20-year investment horizon. By achieving these returns, we fulfil our responsibility to preserve and enhance the international purchasing power of Singapore's foreign reserves. The reserves provide a stream of income that can be spent or invested for the benefit of present and future generations.</p> <p>GIC's policy purpose is publicly available at http://www.gic.com.sg/about/overview http://app.mof.gov.sg/reserves.aspx</p>
<p>3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.</p>	<p>As a rule, GIC invests outside Singapore, in line with our mission to preserve and enhance the international purchasing power of these reserves. Hence, this principle does not apply to GIC.</p> <p>http://www.gic.com.sg/newsroom/reports</p>

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4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

GIC's source of funds is disclosed on our website and in our Annual Report.

Sustained balance of payments surpluses and accumulated national savings are the fundamental sources of the Singapore Government's funds.

The Constitution of Singapore stipulates a spending rule that determines how much of the investment returns on its reserves the Government can spend. The spending rule allows up to 50% of the long-term expected real return on the reserves managed by GIC and those owned by the Monetary Authority of Singapore, to be taken into the Government's annual budget.

<http://statutes.agc.gov.sg/>

<http://www.gic.com.sg/newsroom/reports>

<http://app.mof.gov.sg/reserves.aspx>

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

GIC provides monthly and quarterly reports to the Accountant-General Department within the Ministry Of Finance. These reports list the investment transactions executed, as well as the holdings, bank accounts and balances. The reports provide detailed performance and risk analytics as well as the distribution of the portfolio by asset class, country and currency.