

# MATURATION MAP: CORPORATE GOVERNANCE IN SOUTHEAST ASIA PRIVATE MARKETS

**April 2025**

Co-authored by



**TABLE OF CONTENTS**

INTRODUCTION FROM SUPPORTING ORGANISATIONS..... 2

EXECUTIVE SUMMARY..... 5

CALL FOR STAKEHOLDER COLLABORATION ..... 8

PROPOSED ACTIONS ..... 9

    Active Diligence..... 9

    Utilising Technology ..... 12

    Enhanced Advisor Ecosystems ..... 14

    Stronger Governance Frameworks ..... 16

    Enforcement..... 20

SOUTHEAST ASIA POSITIONING RELATIVE TO OTHER EMERGING MARKETS..... 23

APPENDIX A – CONTRIBUTORS ..... 26

APPENDIX B – ALLEGED GOVERNANCE ISSUES IN SOUTHEAST ASIA..... 29

APPENDIX C – GOVERNANCE AND FINANCIAL MATURITY MATRIX ..... 31

APPENDIX D – AI-DRIVEN GOVERNANCE SOLUTIONS ..... 36

APPENDIX E – SAMPLE WHISTLEBLOWER POLICY..... 38

DISCLAIMER ..... 45

## INTRODUCTION FROM SUPPORTING ORGANISATIONS

The sentiment around corporate governance in Southeast Asia private markets as of early 2025 is notably weak. High-profile cases of governance failures, financial and other misstatements, and outright fraud have cast a shadow over the region's business environment. It is crucial, however, to recognise that these instances represent only a small fraction of the corporate landscape. Unfortunately, they have garnered outsized attention and have meaningfully undermined the substantial efforts of thousands of founders, company employees and investment industry professionals. We need to ensure that these few "bad apples" do not impair fundraising and development opportunities for companies that are committed to doing things the right way. Collective action is key.

The Singapore Venture & Private Capital Association (SVCA) and Amvesindo, together with the Malaysian Venture Capital & Private Equity Association (MVCA), Thai Venture Capital Association (TVCA) and Vietnam Private Capital Agency (VPCA) and with inputs from many industry players are therefore duly motivated to initiate this "**Maturation Map**". The goal is to help deepen the conversation, catalyse action and to create frameworks for more ongoing coordination. The discussion and proposals herein aim to encourage ecosystem partners to contribute to the process of enhancing governance standards. It also proposes certain areas where regulators could consider further action. We thank the Board of SVCA, and Amvesindo, regional industry associations, relevant working groups and all other contributors for their support. Details of many of the relevant contributors are shown in **APPENDIX A – CONTRIBUTORS**.

### The Role of Private Capital in Driving Governance Standards

Private capital is a significant source of funding in Southeast Asia – over US\$38bn of private capital was invested over the 2020 – 2023<sup>1</sup> period. A large proportion of this capital flows through Singapore into other countries in Southeast Asia.

This capital drives social progress, builds ground-breaking companies and contributes to employment growth, innovation and economic development.

Private capital investors can drive governance improvements by setting high standards for the companies they invest in and for themselves. This includes rigorous due diligence processes, whistleblower policies, ongoing governance and compliance monitoring, and holding portfolio companies accountable for their practices. In doing so, private capital can help create a culture of transparency and integrity that benefits the entire market. They can also offer advice to government agencies and regulators on legal and regulatory enhancement based on the situation on the ground.

---

<sup>1</sup> Source: VC Insights

## Addressing Emerging Issues and Fraud Prevention

Various issues have emerged in recent years, highlighting the need for robust governance practices. Fraud and misstatements are often creative and multifaceted, making them difficult to prevent. However, lowering the incidence of such issues and raising the stakes for breaches is integral to building a trustworthy market environment.

This paper will delve into several initiatives that members of the SVCA and Amvesindo and other industry participants have raised and in many cases are already steadily implementing across their portfolios to address these challenges:

- **Active Diligence:** Standards of diligence at the inception of investments should be continually renewed and improved and during follow-on rounds as a consistent and ongoing effort.
- **Utilising Technology:** Leveraging direct API access to ERPs, bank accounts or other internal and external/market sources, utilising specialist software to monitor compliance or implementing artificial intelligence (AI) to obtain real-time signals on financial numbers and governance practices.
- **Enhanced Advisor Ecosystems:** Developing preferred financial and advisory vendor relationships through association membership and general partners (GPs) feedback with experience in rigorous governance practices and with specialised expertise such as forensic experts. Increased training programmes for board members and founders working with these networks is another important enhancement we recommend.
- **Stronger governance frameworks.** Typically, private capital operates with a set of governance standards established during early financing rounds (e.g. SHA) which is then iterated over the course. While the existing arrangements provide a solid foundation, there can be improvements on approach to avoid a watering down of key clauses and higher visibility for compliance with these arrangements at and between board meetings.
- **Enforcement:** Often boards act confidentially to protect company value and sometimes decline pursuit of bad actors due to costs or a desire to “move on”. While this might make sense in a given situation, as a whole it does not deliver a deterrent effect. Boards should instead prioritise enforcement of shareholder rights and explore legal avenues to address governance breaches. There should be targeted enhancement of regulatory regime to assist this effort as described more in the paper.

## Encouraging Ecosystem Participation and Buy-In

The success of these initiatives hinges on the active participation and buy-in from ecosystem partners. We invite our partners in the venture capital and growth investment communities, as well as founders and advisory professionals, to engage with us in this endeavour. Your insights,

experiences, and contributions are invaluable in shaping the future of corporate governance in Southeast Asia.

Together, we can build a more transparent and accountable business environment in Southeast Asia. We titled this report the “Maturation Map” for a reason, We have grown fast as an ecosystem over the last decade but we are still young compared to many parts of the world. We can also potentially learn more actively, act more collectively and evolve faster. Let us work hand in hand to ensure that good governance dominates and that our markets thrive.

**Yours faithfully,**

*On behalf of our respective industry associations and in support of improved governance and financial resilience across Southeast Asia’s private sector*

**Shane Chesson**

Vice Chairman, Board  
SVCA

**Sharon Lim**

Chief Executive Officer  
SVCA

**Eddi Danusaputro**

Chairman  
Amvesindo

**Thanapong Na Ranong**

President  
TVCA

**Vy Le**

Chair  
VPCA

**Ng Sai Kit**

Chairman  
MVCA



**Media Contacts**

**SVCA**

[sylvia.koh@svca.org.sg](mailto:sylvia.koh@svca.org.sg)

**Amvesindo**

[info@amvesindo.org](mailto:info@amvesindo.org)

**TVCA**

[thaivca@gmail.com](mailto:thaivca@gmail.com)

**VPCA**

[media@vpcn.vn](mailto:media@vpcn.vn)

**MVCA**

[secretariat@mvca.org.my](mailto:secretariat@mvca.org.my)

**General media contact**

[rm@dsx.vc](mailto:rm@dsx.vc)

# EXECUTIVE SUMMARY

The Southeast Asia private capital ecosystem has grown rapidly and delivered substantial inbound investment to the region over the last decade or more. Massive new companies have been created, many household names have been built, and thousands of companies are on the necessarily windy path to potential success. As well as early-stage VC, growth investors and PE allocations have increased to help steward and fund these opportunities through to private markets or exit. The ecosystem has the opportunity to steward new and existing sector leaders and to drive a virtuous cycle of innovation that takes advantage of underlying demographic trends, ideal global positioning and a vibrant entrepreneurship and investment environment.

However, bad governance conditions and their impact on investment flows and perceptions can endanger the speed of this development. While eFishery<sup>(1)</sup> is the highest-profile recent example, the past few years have seen allegations of financial mismanagement, fraud, and governance failures across several private companies in Southeast Asia. These include companies with headquarters in Singapore (Zilingo, HonestBee), Indonesia (Investree, TaniHub, Octopus, KoinP2P), Vietnam (JobHopin, Skola, Apax Leaders) and The Philippines (PayMongo). A brief summary of these cases is provided in **APPENDIX B – ALLEGED GOVERNANCE ISSUES IN SOUTHEAST ASIA**. There are also other governance and diligence breaches (e.g. false credentials) which have been highlighted over this time.

The EY Global Integrity Report 2024<sup>2</sup> highlights a positive development, with almost half (49%) of global respondents thinking that compliance with their organisation’s standards of integrity has improved in the last two years. This marks an increase of seven percentage points from the EY Global Integrity Report 2022 findings. But headwinds continue when it comes to the true test of integrity. Some of the key highlights of headwinds are:

<p><b>Willingness to act without integrity</b></p> <p><b>38%</b> of global respondents admit they'd be prepared to behave unethically in one or more ways to improve their own career progression or remuneration. More than 1.5X higher than the findings in our last report.</p>	<p><b>Lack of understanding - weak compliance</b></p> <p><b>54%</b> of global respondents say that employees not understanding policies or requirements, combined with a lack of internal resources to manage compliance activities, creates opportunities for employees to violate integrity standards.</p>	<p><b>Significant Integrity Incidents</b></p> <p><b>21%</b> of global respondents say their organization has experienced a significant integrity incident in the last two years.</p>
--	--	--

<sup>2</sup> [https://www.ey.com/en\\_sg/insights/forensic-integrity-services/global-integrity-report](https://www.ey.com/en_sg/insights/forensic-integrity-services/global-integrity-report)

According to feedback from members, boards in problematic situations have taken substantive actions according to the circumstances of the case but often without public visibility or announcements. In addition, members indicate that other situations have cropped up in companies not in the list above as the situation has remained confidential.

Our goal in this paper is not to opine or give a view on each of these cases but more to support the idea that while eFishery is a recent and well documented example in the public sphere, the issues which it identified are too common and remedies applied can be incorporated broadly by many members.

While this is a Southeast Asia wide issue, Singapore plays a pivotal role as it facilitates investment into many of the emerging markets in the region. With its developed regulatory infrastructure and positioning as a cross-border financial centre, Singapore channels a large proportion of capital flows. Singapore is ahead in governance rankings versus other Southeast Asian markets but it's the way Singapore works together with the rest of Southeast Asia and the compliance environment in the larger population markets which has a large impact on the perception of regional risk. Addressing these governance challenges with a collective approach is thus crucial to ensuring sustainable private capital flows and long-term business success in the region. While speed of cross border implementation in areas with governmental overlap will need to follow its own process, the approach of private market investors can be more nimble to this reality.

To strengthen governance in Southeast Asia's private markets, this whitepaper proposes a five-pillar approach that balances investor protection, corporate flexibility, and sustainable growth:

1. **Active diligence**
2. **Utilising technology**
3. **Enhanced advisor ecosystems**
4. **Stronger governance frameworks**
5. **Enforcement**

These recommendations, except where specified, are not intended to be rigid mandates but a foundation for active discussion and collaboration. A flexible, tiered, risk-based approach is essential—early-stage startups may require lighter oversight focused on infrastructure building and approach, while high-risk, later-stage companies must adhere to stricter compliance standards. To ensure a structured approach, a sample of a tiered framework is attached as **APPENDIX C – GOVERNANCE AND FINANCIAL MATURITY MATRIX**. This matrix contains what the contributors to this paper view as necessary governance standards across different stages of a company's life cycle. Investors and founders should adopt these guidelines where appropriate to enhance financial transparency and compliance. Other proposed action items in the body of this paper may require refinement for execution and further collective actions

from a group of actors. It is hoped that further discussions and collective action can take place further to this paper to uplift governance standards across the region.

Some of the proposals outlined in this paper may lead to higher costs for companies, investors, and other stakeholders. However, this is where contributors see an opportunity for greater ecosystem collaboration. By sharing costs where possible—such as through industry-led governance initiatives, standardised compliance frameworks, and collective procurement of advisory services—stakeholders can mitigate financial burdens while enhancing overall market standards. Advisors, in particular, can play a key role by offering packaged governance and financial management solutions tailored to private capital, reducing inefficiencies and making compliance more accessible. Through such cooperation, the industry can balance cost considerations with the long-term benefits of stronger governance and financial discipline.

By fostering transparency, accountability, self-regulation and strong governmental support for cross border enforcement, Southeast Asia can cultivate a governance framework that balances innovation with investor protection, ensuring the long-term sustainability of private capital in the region. Ultimately, these recommendations seek to enhance investor confidence not only in the private markets, but also in the public markets to pave the way for higher IPO volumes.

## Progress Towards Public Market Listings and Compliance

One of the goals of improving corporate governance is to pave the way for more companies to transition from private to public markets. Public market listings come with higher public disclosure and compliance requirements. While being public is not without ongoing risks (many listed companies in our market have also suffered from accounting and governance concerns) a public listing can enhance overall transparency and accountability as well as providing liquidity to enable broader investor participation and recycling of post-exit private capital back into the relevant market. Better governance practices in private markets can facilitate this transition, ensuring that companies are well-prepared to meet public market standards.

This progress towards public market listings is essential for the long-term growth and stability of the Southeast Asian markets. It provides companies with access to a broader pool of capital and investors, while also promoting a higher level of scrutiny and oversight. This, in turn, can help mitigate the risk of governance failures and enhance investor confidence.



## **CALL FOR STAKEHOLDER COLLABORATION**

This whitepaper serves as a starting point for discussions on governance reforms in Southeast Asia's private capital landscape. We invite all stakeholders—including regulators, policymakers, venture capital firms, private equity investors, founders, corporate governance professionals, legal advisors, and industry associations—to contribute their insights and expertise to refine and implement these proposals.

Through ongoing dialogue and collective cross-border action, we can build a governance framework that not only ensures financial transparency and investor protection but also fosters a thriving, resilient venture ecosystem. We encourage multi-stakeholder engagement through industry roundtables, policy workshops, and collaborative governance initiatives to shape an effective and sustainable governance environment in the region.

Shared accountability is a key principle in fostering effective startup governance. While startups are responsible for maintaining transparency, sound reporting, and ethical practices, investors also play an important role in supporting long-term value creation. It is important that investor expectations and actions do not unintentionally incentivise short-term behaviours — such as overly focusing on valuation milestones or applying legal pressure in response to early-stage underperformance—that may compromise sustainable growth. A balanced approach, where both founders and investors are aligned on long-term objectives and shared responsibility, will help strengthen governance practices and build a more resilient startup ecosystem.

## PROPOSED ACTIONS

### Active Diligence

Standards of diligence at the inception of investments should be continually reviewed and improved. But importantly these efforts should be enhanced and not reduced during follow-on rounds. Diligence should also be repositioned as an ongoing maintenance covenant. This ensures that companies meet increasingly stringent criteria as they mature, becoming better positioned to navigate future challenges and ultimately achieving successful exits through M&A or public markets. While there can be drawbacks for company flexibility, an active investor-founder partnership and investment in the systems and process upfront can minimise inefficiencies and enhance confidence and fundraising speed.

Recent high profile governance incidents have highlighted that when documents are looked at merely at a single point in time, they can be more easily doctored. Access to operating flows and visibility deeper into the company (people beyond the founders, systems beyond the documents) can help lower chance of misstatement or fraud.

Potential actions proposed include:

1. Actions by Investors
  - a. **Emphasise internal audit and reconfigure reporting lines:** Require internal auditors for investee companies (above a certain size) who are appointed by the board and who would report straight to board, with board approval of internal audit plan and scope. This will help ensure that internal audits are conducted without undue influence or interference from management. Heads of Data could also have a dual reporting line to Board and CEO given their access to crucial internal flows. These personnel would be part of an “executive session” post board meeting with the non-Founder board members to hear updates.
  - b. **Amplify on-ground checks:** Have local personnel conduct independent visits to sites and key customers/vendors – this can be both value-additive to portfolio companies and add an element of control. Training and empowering junior investment personnel will be important for this.
  - c. **Extend and enhance Exit Interviews:** While exit interviews of key senior personnel are commonly conducted, the power dynamic and incentives may not surface key issues and instead a vague excuse is often provided. These exit interviews can be extended to mid-level financial people. Independent market/business intelligence processes can also be utilised to ascertain the true reasons behind key exits.

- d. **Investor reporting guidelines and stress testing:** Develop sector-specific transparency benchmarks and stress test reporting that investors can require of portfolio companies without imposing unnecessary burdens.
  - e. **Aligned Incentive structures (such as vesting schedules or equity dilution mechanisms):** Tying governance to tangible founder outcomes helps prompt real action. Aligning incentives to governance performance helps ensure that key management remain accountable and incentivized to deliver long-term oversight. For example, founder compensations or bonuses or equity vesting could be tied to governance milestones being met.
  - f. **Board engagement:** Enhance board supervision by ensuring investor-appointed directors play an active role in oversight and key decision-making. Implement structured board engagement where key risk assessments, compliance updates, and financial disclosures are systematically reviewed, rather than relying solely on founder-reported information. Boards should have direct access to external auditors, internal auditors, or equivalent control mechanisms to independently verify financial and operational integrity.
  - g. **Direct Interviews with Key Customers and Vendors:** Conduct structured interviews with the company's top 5–10 customers and/or vendors to independently validate business relationships and underlying revenue or cost assumptions.
2. Actions by Founders
- a. **Public commitment:** Publish governance principles on company websites, signaling a long-term commitment to investors, employees, and industry stakeholders.
  - b. **Employee updates:** Regularly update investors (and where appropriate, employees) on key governance metrics, reinforcing an organisation-wide culture of transparency. Disclosures should include cash runway, fundraising plans, board decisions on governance matters, and risk mitigation strategies.
  - c. **Founder peer reviews:** 360 peer review of founders, conducted anonymously and reported to the Board enables candid team feedback and surfaces blind spots in leadership. Having results reported to the Board ensures accountability beyond internal management.
  - d. **Delegation of Authority:** Clear and transparent delegation of authority developed with and shared with the Board helps prevent overreach and ensures key decisions are made with the right level of oversight.

3. Actions by Advisors

- a. **Playing a long-term role in governance compliance:** Building into diligence mandates the refreshing and monitoring of diligence findings to ensure accountability of companies on follow up actions.
- b. **Recurring advisory check-ins:** Establishing recurring advisory check-ins (quarterly or semi-annual reviews) where advisors assess financial and operational governance.
- c. **Governance tracking system:** Implementing a tracking system where advisors provide real-time feedback on the company's governance and compliance status.

## Utilising Technology

Leveraging direct API access to ERPs or other internal and market sources, utilising specialist software to monitor compliance or implementing artificial intelligence (AI) to obtain real-time signals on financial numbers and governance practices. This technological integration can enhance accuracy and timeliness in monitoring corporate activities and raise difficulty of executing fraudulent acts. Highlighted in **APPENDIX D – AI-DRIVEN GOVERNANCE SOLUTIONS**, are some AI-driven governance tools and compliance solutions which are increasingly being adopted to detect financial anomalies, automate reporting, and improve real-time oversight.

Actions proposed include:

### 1. Actions by Investors

- a. **Cash balance visibility:** Ensure that investors can cross check monthly reported accounts with factual cash balances. This could include where possible, implementing secure, permission-based access to bank account data for real-time cash flow monitoring for selected investors and board members. If not full access, then real time visibility on an exception/materiality basis to identify unusual account activities or liquidity concerns promptly. This includes tighter control of fund transfers (including cross border transfers) from holding company to operating company, which should potentially be in tranches and subject to board level sign off such as via approved budgets and business plans.
- b. **Cloud-based enterprise resource planning (ERP) visibility:** Adopt automated financial and operational reporting systems accessible to board members and key investors. Visibility towards real-time operating metrics and matching these to stated financial flows would make doctoring financials much more difficult in almost all cases identified by contributors
- c. **AI-Powered Due Diligence:** Leverage AI tools to scan for financial anomalies and identify early warning signs of governance failures. AI-powered tools could be useful to automate the verification of ownership records, transaction histories, and legal contracts, reducing manual effort during due diligence processes while improving outcomes. This can include the use of Natural Language Processing (NLP) to process large volumes of documents to identify risks and anomalies faster.

### 2. Actions by Founders

- a. **API-Integrated Monitoring:** Integrate APIs to streamline the aggregation of data from multiple systems, such as accounting software, CRMs, and ERPs, for

comprehensive financial analysis. This enables investors to pull accurate and real-time performance metrics from its portfolio companies seamlessly.

- b. **Blockchain Integration:** Implement blockchain-based solutions for instantaneous, secure and tamper-proof operational and financial data to ensure traceability and data integrity across systems.
  - c. **Self-Regulatory Risk Assessments:** Establish internal stress testing frameworks within companies to detect weaknesses before they escalate into financial crises.
  - d. **Auto-alert systems:** Enable real-time alerts for unusual or high-value transactions, either directly through banking platforms or financial software, accessible by the Board.
3. Actions by Advisors/ Ecosystem
- a. **Anonymous Whistleblower Channels:** Promote industry-led confidential reporting mechanisms managed by independent third-party compliance firms. Leveraging secure digital platforms, end-to-end encryption and blockchain-based decentralised whistleblowing systems to ensure confidentiality and prevent tampering.
  - b. **Discounted access:** Industry groups encouraged to offer discounted access to governance tech platforms to encourage startups to implement digital reporting tools.
  - c. **AI-assisted due diligence:** Leverage AI to assist in pre- and post-investment due diligence and monitoring process.
4. Actions by Governments
- a. **Incentives:** Provide incentives for governance tech adoption, such as tax benefits or rebates for investment in compliance software and tools.
  - b. **Governance technology sandbox:** Collaborate with industry stakeholders to develop sandbox environments where governance technology startups and enterprises can test and refine their technologies before full-scale deployment.

## Enhanced Advisor Ecosystems

Contributors emphasised the importance of developing stronger financial and advisory vendor networks through Association membership and collective engagement on key industry topics. These advisory panels with experience in rigorous governance practices should include auditors, legal firms, compliance specialists, forensic investigators, and cybersecurity professionals. Certain industries—such as fintech and healthcare—require specialised governance expertise, making sector-specific vendor networks essential. Investor feedback should be harnessed to provide references, validation and areas for development. Calling out bad actors and exposing ‘fraud consultants’ who fake documents or run shadow accounts can also go a long way in raising industry standards. These stronger relationships would also lead to increased and more continuous engagement with portfolio companies.

Actions proposed include:

### 1. Actions by Investors & Associations

- a. **Centralised group auditor:** Encourage portfolio companies to appoint a group auditor based in a strong governance jurisdiction to oversee and sign off on local audits, ensuring compliance with international standards.
- b. **Increased Usage of Specialised Expertise:** Encourage companies to seek guidance from external advisors with specialised expertise, establishing minimum governance advisor qualifications.  
In addition to financial audits, require investee companies to undergo third-party governance audits and reviews as well as periodic fraud risk assessments with the help of forensic experts to for early identification of red flags and fraud patterns. Also for relevant companies, implement periodic IT systems assessment for data reliability and cybersecurity standards.
- c. **Implement Collective Governance Forums:** Associations should facilitate regional advisor and GP forums to facilitate knowledge-sharing, best practice frameworks, and pooled resources for due diligence and governance advisory services. While ideas around crowdsourcing of advisory ratings, approved lists and minimum standards were raised by members, the implementation of such could be discussed at such time.
- d. **Shared diligence findings:** Investors should explore cost sharing schemes for diligence work at each funding stage or ongoing diligence. Lead investors from previous rounds could share diligence findings with investors from later rounds to reduce the costs of top up diligence and advisors could reflect these cost efficiencies in their fee structures.

## 2. Actions by Advisors

- a. **Adjusted engagement arrangements:** In line with the above, advisors should consider more flexible and efficient packages for ongoing engagement with portfolio companies and smoother diligence sharing across investor groups. Discounts for industry members would help to increase the take up of ongoing diligence.
- b. **Supporting an Industry-Wide Code of Conduct:**
  - i. Industry associations and their advisory members can offer support for standardised governance frameworks or scopes of engagement for advisors to follow when working with startups and investors.
  - ii. Require transparency in governance advisory fees to prevent financial incentives from distorting governance recommendations.

## 3. Actions by Governments

- a. **Increased Visibility and Validation of Advisor Quality:** Members have raised the prospect of additional licencing or validation of advisor networks and more visibility/disclosure of negligent outcomes. This builds a feedback loop to improve diligence quality while enabling investors to have visibility over the accessible pool of high-performing advisors. The existing system varies across different types of advisors, and we don't dig further into this topic here but suggest it be a subject for an ongoing forum.
- b. **Pursuit of Fraud Advisors:** A zero-tolerance approach to fraud requires the elimination of consultants who engage in deceptive practices. Government enforcement tools and processes should be utilised to deter bad actors from infiltrating the diligence ecosystem.
- c. **Subsidies for compliance monitoring:** Given industry ecosystem advantages and the natural tension when allocating scarce budgets, a programme to help fund increased investment could be considered.



## Stronger Governance Frameworks

Typically private capital operates with a set of governance standards established during early financing rounds (e.g. Shareholders' agreements) which is then iterated over the course. While the existing arrangements provide a solid foundation, there can be improvements to avoid the lowering of standards for key governance provisions and higher visibility for compliance with these arrangements at and between board meetings. The approach towards board constituents and conduct (including boosting audit committees role and scope) can also be developed.

Given private capital's growing influence and the need to maintain investor confidence, it is proposed that an industry-wide Governance Responsibility Initiative could be established. This would be a voluntary framework encouraging clear, shared principles for good governance, voluntary adoption, public commitments to adopting common governance principles and transparent reporting of progress – with the aim of collectively enhancing standards across Southeast Asia's private capital ecosystem.

Actions proposed include:

### 1. Actions by Investors

- a. **Stronger board oversight of audits:** Establish investor-constituted audit and risk committees lifting financial oversight. For companies where financial investors hold more than 30-40% equity, appointing an investor-nominated Chief of Staff or CFO can enhance financial discipline and transparency. To further strengthen implementation for audits:
  - i. **Board-Level Audit Calendar:** Embed audit timelines and deliverables into board packs, with progress tracked as part of formal board duties.
  - ii. **Risk-Based Dashboard:** Introduce dashboards in board meetings to flag financial anomalies, audit findings, and outstanding remedial actions.
  - iii. **Mid-Year Financial Reviews:** Enable investors to request semi-annual unaudited financials, certified by the CFO (or equivalent), as interim oversight between annual audits.
  - iv. **Auditor Access Protocol:** Define clear channels for audit committees to consult with auditors independently of management when necessary.
- b. **Standardised governance codes of conduct and standard governance clauses for private agreements:** Implementing standardised compliance and governance clauses in term sheets to embed governance expectations early. As can be seen from the example of the Venture Capital Investment Model Agreements (VIMA) 2.0 published by SVCA and the Singapore Academy of Law<sup>3</sup>,

the availability of standard documents promotes a common standard that fosters willingness for adoption, ease of operationalization and monitoring without sacrificing the speed for execution in many situations.

- c. **Model operational policies and procedures / governance playbook:** Establishing model operational policies and procedures and encouraging investees to adopt these policies governing financial management, decision-making processes, and board responsibilities.
- d. **Add and Empower Independent Directors Earlier:** Consider board-led risk committees composed of independent directors and financial experts to provide unbiased oversight. Establish a regional registry of qualified independent directors, complete with training and certification programmes, to ensure access to competent professionals.
- e. **Conduct of Board meetings and Board approval matters:** Require investor (and independent if applicable) director approval for key matters such as budgets, related party transactions, salaries and incentive grants to key management. Implementing regular meetings between investor directors to enable discussions on governance and strategy. Refer to the Venture Capital Investment Model Agreements (VIMA) 2.0 published by SVCA and the Singapore Academy of Law<sup>4</sup> for a list of recommended board and reserved matters.
- f. **Scaled investor reporting standards:** Require progressively detailed investor disclosures as startups move from seed to later funding stages, ensuring alignment with increasing financial complexity.
- g. **Incorporating Governance into Accelerator, Incubator & Mentorship Programmes:** Ensure that governance training is a core component of startup incubator and accelerator curriculums and mentorship programmes.
- h. **Startup Governance Scorecards:** Develop governance scorecards that investors can use to assess a company's governance health before investing. GPs have developed internal scorecards that track companies' performance in terms of governance and this can be implemented more broadly across the industry.
- i. **Graduated governance requirements:** Implement a tiered governance approach where companies have increasing governance obligations as they grow in size, revenue, or funding levels.
- j. **Public domain searches, external and discreet market intelligence:** For high risk investee companies, investors should on an ongoing basis conduct a combination of public domain searches and 'External and Discreet Market Intelligence' on a periodic/rotational basis. This which would help in early

---

<sup>4</sup> <https://www.svca.org.sg/model-legal-documents>

identifying potential issues such as governance concerns, problems with suppliers, and employee-related issues, among others.

- k. **Grievance mechanisms:** Implement grievance mechanisms where members of the public (including staff from investee companies) can report grievances anonymously. Tip-offs on bad actors within a company can often come through such channels.
  - l. **Investor Advocacy and Collective Bargaining:** Investor advocacy groups could use collective bargaining methods to negotiate stronger governance protections. Platforms could be established for collective bargaining among minority investors.
  - m. **Hygiene checks by investors:** Investors could get internal risk and finance teams to provide light audits, budget reviews and cash monitoring to ensure minimum hygiene – in particular for mid to later stage companies where the impact of financial mismanagement is more material. This also serves as shared support for earlier stage companies, reducing the hiring burden whilst raising overall compliance standards.
2. Actions by Founders
- a. **Board composition and competency:** Actively seek independent director appointments in appropriate cases. Ensuring that the Board has relevant and appropriate experience to provide the necessary supervisory guidance.
  - b. **Clear whistleblower, related party and conflict of interest policies from inception:** Implementing policies around conflicts of interest and related party transactions from the outset. Effective whistleblower policies enable employees, investors, and other stakeholders to confidentially report unethical practices or governance breaches, facilitating early detection and intervention. The integration of whistleblower mechanisms enhances transparency and accountability within private market operations, allowing companies to promptly identify and address compliance issues or fraudulent activities. These policies should be accessible, clearly outlining reporting procedures and protections for whistleblowers. Further guidance and a sample whistleblower policy framework is provided in [APPENDIX E – SAMPLE WHISTLEBLOWER POLICY](#).
  - c. **Founder Accountability Pacts:** Signing agreements that outline founders' fiduciary responsibilities and define clear accountability measures.
  - d. **Governance lead:** Nominate an internal governance lead who is responsible for ensuring financial and operational transparency.
  - e. **Predefined governance milestones** (e.g., when raising Series A, B, C): Implement governance milestones and update internal governance policies and review governance risks with investors. Establish a scorecard to track compliance with board reporting, financial disclosures, and adherence to best practices prior to funding rounds.

- f. **Real-time dashboard for key metrics shared with Board:** Companies could use simple tools to track key metrics (cash, burn, revenue) that can be seen live by investors.
3. Actions by Advisors
- a. **Periodic Governance Assessments:** Implement periodic governance assessments, facilitated by external firms, to identify vulnerabilities before they escalate into major risks.
  - b. **Contributing to Board training:** Conduct board training around topics such as fiduciary duties and oversight responsibilities, financial oversight in high growth startups, managing conflicts of interest and detection of red flags as well as board response to whistleblowers. This can be done in collaboration with Industry associations.

## Enforcement

Prioritising enforcement of shareholder rights and exploring legal avenues to address governance breaches. This approach underscores the importance of accountability and deterrence. Ways to improve cross-border enforcement to match capital flows should be explored with regulatory involvement.

Actions proposed include:

1. Actions by Investors and Founders
  - a. **Board level commitment and action:** Adopt at the Board level, an operating principle that mandates the pursuit of legal claims and the filing of criminal complaints when warranted. Adequate funding for such actions should be allocated in private agreements such as the shareholders' agreement or budget. Any decision not to proceed with legal action must be carefully substantiated and formally documented to ensure accountability and transparency.
  - b. **Fraud Patterns Directory:** Develop a shared, evolving repository to document emerging fraud tactics, improving investor and board awareness of governance risks.
  - c. **Private Resolution Frameworks:** Establish mechanisms for internal resolution before escalating to the public domain, minimising reputational damage while addressing governance weaknesses.
  - d. **Industry association involvement:** Associations such as SVCA and Amvesindo could take a more active role in evolution of governance standards, developing an evolving path to best practices. Including annual updates of this document, increased training modules and forums for experience sharing. This could be bundled with useful resources for founders such as access to recommended governance consultants, sample policy templates or dispute resolution support.
2. Actions by Governments
  - a. **Enhancing regulatory oversight through relevant ministries:**
    - i. Central banks and financial regulatory authorities to ensure regulated businesses adhere to licensing requirements, including robust financial reporting and oversight.
    - ii. Industry-specific regulators could implement governance frameworks tailored to sector-specific risks.
    - iii. Establish a shared "Governance Risk Watchlist" in collaboration with regional investors to flag high-risk founders, entities, and recurring governance red flags across markets.

- b. **Legal accountability for financial misrepresentation:**
  - i. Impose mandatory “Fit and Proper” testing for directors and expanding legal implications for governance failures, including potential criminal liability for directors involved in fraudulent reporting.
  - ii. Establish clear legal consequences for falsifying data, including fabricated market sizing and revenue statements.
  - iii. Strengthen investor rights to take legal action against governance breaches.
- c. **Special interest status for high-growth, capital-intensive companies:**
  - i. Codify auditing and transparency requirements – Companies exceeding specific capital thresholds should be subject to:
    - 1. Quarterly financial reviews (audit light) with disclosure to investors and relevant government agencies.
    - 2. Reporting structures aligned with both regulatory and investor expectations.
    - 3. Timely financial data access for key stakeholders.
  - ii. Formalise engagements and proactive engagement between government agencies and key market players.
- d. **Regulatory measures for cross-border investment:**
  - i. Cross-Border Asset Recovery for Stolen Investor Funds:
    - 1. Accelerating financial intelligence-sharing among Southeast Asian regulators to track stolen investor capital across jurisdictions.
    - 2. Establishing a dedicated cross-border asset recovery framework for financial crimes linked to fraud in private markets.
    - 3. Empowering regional regulators with authority to freeze and repatriate stolen funds, preventing perpetrators from escaping accountability.
  - ii. Harmonise regional investment standards by aligning governance policies across ASEAN to mitigate jurisdictional discrepancies in compliance enforcement
  - iii. Establish commonality around regional standards in applying “fit and proper” test for company directors
  - iv. Adopt measures for cross-border exchange of information such as the Automatic Exchange of Information (AEOI) initiative developed by the OECD in 2014 to enhance global tax transparency and combat tax evasion. A similar initiative can be leveraged to tackle fraud more broadly.

**e. Decertification & Blacklisting of Fraudulent Consultants & Advisors:**

- i. Mandate automatic decertification of fraudulent or negligent consultants, preventing them from serving on boards or advising companies.
- ii. Coordinate with law enforcement agencies to pursue fraud-enabling advisors, ensuring they do not re-enter the market under new firms.

**f. Enforcing whistleblower protection:**

- i. **Retaliation safeguards:** Implement robust legal protections for whistleblowers to ensure they can report fraudulent or unethical practices without fear of retaliation. Legal protections should include anonymity safeguards, protection from workplace dismissal, and access to legal support services.
  - ii. **Independent whistleblower protection agencies:** Fund the establishment of independent whistleblower protection agencies to oversee and act on reported misconduct, and partner with independent agencies to create secure reporting channels for employees and investors. Rewards for whistleblowers could also be considered.
  - iii. **Whistleblower compensation programmes:** Some countries such as the United States, Canada, Australia and South Korea have adopted schemes rewarding whistleblowers. This could be something that regulators in South East Asia could collaborate with industry players on in the longer term to define what a reward scheme might look like.
- g. Disclosures for Non-Compliant Companies and Individuals:**
- i. **Public Database:** Maintain a publicly accessible database listing companies and directors that have violated governance and financial regulations to warn investors. This list should include details on infractions, enforcement actions, and the status of corrective measures taken by the company.

## SOUTHEAST ASIA POSITIONING RELATIVE TO OTHER EMERGING MARKETS

Southeast Asia's private capital environment is unique with Singapore as a hub surrounded by large, growing, emerging or middle-income markets with variable governance standards and regulatory systems. Some noteworthy governance developments in Southeast Asia are highlighted here:

**Indonesia** introduced a concept of corporate criminal liability in its Penal Code which holds corporations criminally liable for certain crimes if it allows criminal acts to occur and does not take the necessary steps to prevent a crime from occurring.

**Vietnam** mandates supervisory boards and shareholder approval for certain related-party transactions, making its baseline requirements stricter than in many other jurisdictions. Additional requirements apply to public companies under the Securities Law 2019.

**Philippines** introduced its Anti-Financial Account Scamming Act (AFASA) in 2024 – the AFASA enhances the Philippine government's ability to combat cybercrime. It criminalises money muling and social engineering, empowers banks to freeze suspicious accounts for 30 days without a court order, and authorises the central bank (BSP) to investigate financial accounts and act as a cybercrime enforcement agency. Notably, BSP-led investigations override traditional bank secrecy laws.

**Malaysia** recently launched the Simplified ESG Disclosure Guide (SEDG). The guide complements and further enhances corporate governance for investee / portfolio companies and also capital allocators / managers that may need to fulfil ESG mandates / and responsible investment criteria.

We are a young ecosystem that has grown quickly and in a position to evolve at the next stage. We should also incorporate learnings from other parts of the world and be aware that capital is mobile and it's the combination of return vs risk that helps drive changes in flow. In other words, we need to move towards being best in class versus comparable market opportunities. If we innovate and move faster, we have a competitive advantage. If we fall behind other markets, we need to be aware. A few markets can be highlighted here:

**Brazil** introduced its Legal Framework for Startups and Innovative Entrepreneurship in 2021. The framework seeks a light touch approach to create a legally sound environment to promote formal corporate structures while defining the role and rights of investors. The framework also seeks to concurrently reduce regulatory red tapes on startup operations, notably in public-private co-operation and industry-specific regulatory sandboxes. This seeks to create a pro-market startup environment while strengthening investor protection and corporate governance.



**India** has foreshadowed a heavier touch approach and is in the process of finalizing a startup regulatory framework as of Feb 2024. However, unlike Brazil, the main driver of India's introduction of the framework is a result of financial mismanagement scandals at top startups such as Byju's, Paytm and BharatPe. The framework seeks to foster startup growth amidst regulatory and corporate governance challenges, regulating companies not currently under the direct jurisdiction of Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI).

While Southeast Asia's governance reforms must be tailored to the region's unique social and economic context, these global examples highlight the importance of market-driven solutions complemented by government action.

## CONCLUSION – COLLECTIVE GOALS AND COMMITMENT

Governance reform in Southeast Asia requires a balance between private sector self-regulation and targeted regulatory intervention. Investors, regulators, and corporate stakeholders must collaborate to establish governance benchmarks that ensure financial transparency and accountability while maintaining business flexibility. Strengthening governance will enhance investor confidence and position Southeast Asia as a leading hub for private investment. We have many underlying strengths and we are young enough to learn how to improve outcomes in areas such as governance. Hopefully, this paper provides a first draft of this Maturation Map that we can go back and check progress periodically.

At SVCA we would aim over the coming months to support these efforts in other ways:

- Summarise this document into an industry wide “playbook” for discussion with Founders and Board members;
- Ongoing forums for discussion of key topics and experience sharing;
- Director Training Programmes shaped to specific private company risks;
- Broader membership and engagement with general and specialist advisor networks to increase knowledge base and collective commitment.

Overall we encourage:

- **Investors and private capital firms** to adopt stronger due diligence processes and implement independent oversight measures.
- **Founders and management teams** to embrace governance best practices, ensuring responsible scaling and financial transparency.
- **Industry associations and advisor groups** to lead collective efforts in setting governance benchmarks, driving policy advocacy, and fostering accountability.
- **Regulatory bodies** to strengthen enforcement mechanisms, improve investor protections, and align governance standards across Southeast Asia.

A **tiered approach to governance reform** is essential to balance oversight with flexibility. Companies at different growth stages and risk levels require tailored governance structures—early-stage companies may benefit from education and best-practice frameworks, while high-growth or high-risk sectors should adhere to stricter compliance and transparency requirements. To ensure a structured approach, a sample of a tiered framework is attached as **APPENDIX C – GOVERNANCE AND FINANCIAL MATURITY MATRIX**. This matrix contains what the contributors to this paper view as necessary governance standards across different stages of a company’s life cycle.

We invite all stakeholders to engage in this ongoing conversation, provide feedback, and collaborate on shaping a governance framework that supports innovation while upholding the highest standards of corporate integrity.

## APPENDIX A – CONTRIBUTORS

### Industry Associations

---



### Private Capital Investors & Portfolio Companies

---

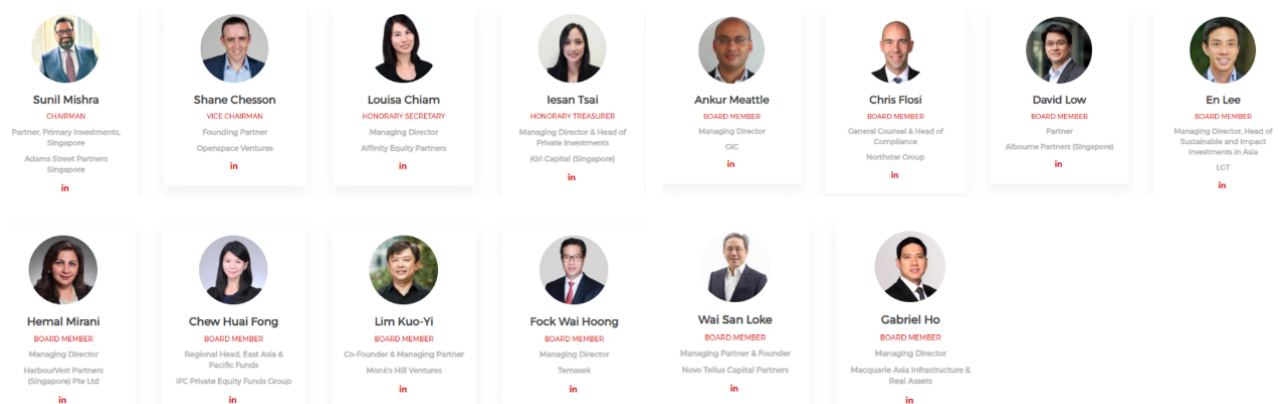


### Ecosystem Advisors

---



## SVCA Board



## SVCA VC Subcommittee

### Members

[Shane Chesson](#), Founder, General Partner, Openspace Ventures Pte. Ltd. (Co-Chair)

[Lim Kuo-Yi](#), Managing Director, Monk's Hill Ventures Pte Ltd (Co-Chair)

[Vishal Harnal](#), Managing Partner, 500 Global

[Neil Fong](#), Managing Director, Burda Principal Investments

[Vadim Shpak](#), Managing Director, Vickers Venture Partners

[Vicknesh Pillay](#), Founding Partner, TNB Aura

[Sharon Liang](#), Principal and Head of Southeast Asia, Siguler Guff

[Rohit Agarwal](#), Managing Director, Peak XV Partners

[Terence Jen](#), Partner & Global CFO, GGV Capital

[Crystal Oh](#), Principal, Reefknot Investments

[Ganesh Rengaswamy](#), Managing Partner, Quona Capital Management LLC

[Siddharth Pisharody](#), Partner, Argor Capital Management Pte. Ltd.

The Venture Capital Subcommittee works to reflect the views and interests of the VC-focused members of SVCA. It develops collective views on industry topics, hosts or co-hosts events in areas such as industry trends, fundraising, talent acquisition and professional development

## SVCA Advocacy Subcommittee

### Members

[Chris Flosi](#), General Counsel, Northstar Advisors Pte. Ltd. (Chairman)

[Wayne Palmer](#), COO and Head of Strategy, Keppel Limited (Fund Management and Investment)

[Philippa Allen](#), Managing Director, Regulatory Compliance, APAC, IQEQ.

[Anulekha Samant](#), Tax Partner, KPMG Services Pte. Ltd.

[Jason Eng](#), General Counsel and Chief Compliance Officer, Dymon Asia Capital (Singapore) Pte. Ltd.

Joel Seow, Partner, Linklaters Singapore Pte. Ltd.  
Joanna Yau, Legal Counsel and Head of Compliance (Asia Pacific), Carlyle  
Desmond Teo, Asia Pacific Family Enterprise Leader, Ernst & Young  
Divya Thakur, Partner, Morgan, Lewis & Bockius LLP  
Ho Han Ming, Partner, Reed Smith LLP  
Stephen Lam, General Counsel, SoftBank Group International  
Joyce Sun, Head of Legal, Asia, L Catterton  
Amy Lam, Director, Compliance, Asia Pacific Ontario Teachers' Pension Plan (SEA) Private Limited

The Advocacy Subcommittee is charged with representing SVCA in front of relevant government agencies with a view to positively influence the development of laws, regulations and policies that are relevant to the private capital industry in Singapore

### Amvesindo Governance Subcommittee

Eddi Danusaputro, BNI Ventures  
Donald Widhardja, MDI Ventures  
Andreas Surya, Kejora Ventures  
Markus Liman, BRI Ventures  
Monika Rudijono, Endeavor Indonesia  
Rama Mamuaya, DSX Ventures  
Aditia Narendra, MDI Ventures  
Avina Sugiarto, East Ventures  
Kahfiya Hasbi, Telkomsel Ventures

## APPENDIX B – ALLEGED GOVERNANCE ISSUES IN SOUTHEAST ASIA

Date	Company	Country	Details
December 2024	eFishery	Indonesia	<ul style="list-style-type: none"> <li>Financial fraud over a six-year period</li> </ul> <p>Source: <a href="#">1</a></p>
December 2024	KoinP2P	Indonesia	<ul style="list-style-type: none"> <li>Alleged US\$23mn fraud where KoinP2P's lending partner was found to have submitted falsified borrower data</li> </ul> <p>Source: <a href="#">1</a></p>
October 2024	Investree	Indonesia	<ul style="list-style-type: none"> <li>CEO suspected of illegally raising funds without proper permits</li> <li>Sources: <a href="#">1</a>, <a href="#">2</a></li> </ul>
July 2024	JobHopin	Vietnam	<ul style="list-style-type: none"> <li>CEO transferred VND2bn to his personal account "to protect the company's assets" as a result of a disgruntled ex-employee "attempting unauthorised access to Skola's bank account"</li> </ul> <p>Source: <a href="#">1</a></p>
July 2024	Skola	Vietnam	
July 2024	Octopus	Indonesia	<ul style="list-style-type: none"> <li>Allegations of CEO creating fictitious contracts under name of clients to fraudulently report revenue</li> </ul> <p>Sources: <a href="#">1</a>, <a href="#">2</a></p>
March 2024	Apax Leaders	Vietnam	<ul style="list-style-type: none"> <li>Chairman arrested over allegations of fraud via share transfers and misappropriation of properties &amp; tuition fees</li> </ul> <p>Source: <a href="#">1</a></p>
January 2023	Zilingo	Singapore	<ul style="list-style-type: none"> <li>~US\$9mn of dubious payments under the guise of professional services fee</li> <li>Submission of conflicting GMV and revenue figures to shareholders for FY21 and FY22; While revenue figures</li> </ul>

			<p>given to investors ranged from US\$140mn to US\$190mn, other books showed net revenue to be ~US\$40mn</p> <ul style="list-style-type: none"> <li>• US\$26mn revenue adjustments from enterprise to long-tail vertical few days before FY22 allegedly on the CEO's recommendation</li> </ul> <p>Sources: <a href="#">1</a> <a href="#">2</a></p>
September 2022	TaniHub	Indonesia	<ul style="list-style-type: none"> <li>• TaniHub faced allegations of potential fraud</li> <li>• OJK's investigation revealed that TaniFund was entangled in payment issues with around 128 investors, with a total defaulted investment value of approximately Rp 14 billion (\$897,691)</li> <li>• In May 2024, TaniFund's business license was officially revoked by the OJK</li> </ul> <p>• Sources: <a href="#">1</a> <a href="#">2</a></p>
August 2022	PayMongo	Philippines	<ul style="list-style-type: none"> <li>• Allegations of embezzlement arising from financial irregularities on some transactions that ex-CFO, Olos, was not able to explain fully</li> </ul> <p>Sources: <a href="#">1</a></p>
March 2020	HonestBee	Singapore	<ul style="list-style-type: none"> <li>• CEO created multiple shell companies, then directed honestbee to make payment to these entities in exchange for their products, all while not disclosing these transactions to investors</li> </ul> <p>• Sources: <a href="#">1</a> <a href="#">2</a></p>

## **APPENDIX C – GOVERNANCE AND FINANCIAL MATURITY MATRIX**

*Note: The categorization of maturity stages, along with the associated funding and ARR benchmarks in the table below, serves as a general guideline rather than a strict classification. Companies may progress through these stages at different paces depending on industry dynamics, market conditions, and internal strategic decisions. Investors and stakeholders should assess each company's governance and financial maturity based on a holistic evaluation rather than solely on funding or revenue figures. As mentioned in this paper, a tiered approach to governance reform is essential to balance oversight with flexibility. This appendix is only a sample of what a tiered framework may look like and contains elements of what the contributors to this paper view as necessary governance standards across different stages of a company's life cycle. These standards already exist in some form – such as in shareholders' agreements.*



<b>Maturity Stage</b>	<b>Governance, Board &amp; Compliance</b>	<b>Financial Management</b>	<b>Operational Controls, Transparency &amp; Reporting</b>
<p><b>PRE REVENUE STAGE</b></p> <p><b>Raised &lt;\$5M, ARR &lt;\$5M</b></p>	<ul style="list-style-type: none"> <li>• Basic governance structure with and a well-defined organisational structure, with assigned responsibilities (including internal governance lead)</li> <li>• Board of directors constituted</li> <li>• Conflict of interest and related party transaction policies in place</li> <li>• Shareholders' agreement with industry standard governance clauses such as SVCA's VIMA 2.0 and covers both the Holding Company and Operating Company.</li> <li>• Public commitment to governance principles</li> </ul>	<ul style="list-style-type: none"> <li>• Basic accounting and corporate records setup managed either in-house or with third-party providers</li> <li>• Monthly cash flow and bank balance updates via email, and quarterly update meetings with investors.</li> <li>• Lead investors have the right to request in-person visits and verifications of payment flows if deemed necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Customary information rights for all shareholders according to SHA</li> <li>• Quarterly financial reports shared with investors</li> <li>• Annual financial statements prepared (not audited) in accordance with locally recognised accounting standards</li> <li>• End of year bank statements reconciled with financial statements</li> </ul>
<b>Standards above, plus:</b>			

<b>Maturity Stage</b>	<b>Governance, Board &amp; Compliance</b>	<b>Financial Management</b>	<b>Operational Controls, Transparency &amp; Reporting</b>
<p><b>EARLY STAGE</b></p> <p><b>Has raised \$5-\$20M or has \$5-\$20M ARR</b></p>	<ul style="list-style-type: none"> <li>• Obtaining of material licences required for current business operations</li> <li>• Governance &amp; fiduciary duty training for founder and/or operating director. Training for investor directors is recommended.</li> <li>• Adoption of further governance policies which may be defined in BOD charter documents if jurisdiction-relevant including relating to financial transparency and reporting according to locally recognised accounting standards</li> <li>• Board approval matrix for key matters</li> <li>• Clear organisation structure and reporting lines</li> <li>• Business plan, including not limited to Budgeting plan and employee incentive policies/schemes approved by Board</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly financial statement (P&amp;L, Cashflow, Balance Sheet) including reporting of cash balance &amp; burn rate</li> </ul>	<ul style="list-style-type: none"> <li>• Annual financial external audits minimally in accordance with local standards</li> <li>• Appropriately resourced control functions e.g. financial, legal, enterprise risk, tech risk including external expert advice where necessary</li> </ul>
<p><b>Standards above, plus:</b></p>			

<b>Maturity Stage</b>	<b>Governance, Board &amp; Compliance</b>	<b>Financial Management</b>	<b>Operational Controls, Transparency &amp; Reporting</b>
<p><b>EARLY GROWTH STAGE</b></p> <p><b>Has raised \$20M-\$75M or has \$20M-\$50M ARR</b></p>	<ul style="list-style-type: none"> <li>• Appointment of internal auditor reporting to board or can be led by board director with relevant governance training</li> <li>• Establishment of audit and risk committees</li> <li>• Third-party governance audits and reviews</li> <li>• Further policies including relating to whistleblower protection, risk management, anti-bribery and corruption, data privacy and cybersecurity should be in place and accessible only to Investor Board Members.</li> </ul>	<ul style="list-style-type: none"> <li>• ERP/accounting software implementation accessible to independent / investor director</li> <li>• Direct API access to bank accounts for select investors</li> <li>• Implement capital efficiency ratios</li> </ul>	<ul style="list-style-type: none"> <li>• External audits in accordance with IFRS or GAAP</li> <li>• Unqualified opinions by recognised audit firm</li> <li>• Formalised procurement &amp; expense policies</li> <li>• Financial SOPs in place (payments in/out, cash management, credit policy/collection) including appropriate checks and balances</li> <li>• Mandatory exit interviews for key financial personnel in which the interview transcript is accessible to Investor Board Members</li> </ul>
	<b>Standards above, plus:</b>		

<b>Maturity Stage</b>	<b>Governance, Board &amp; Compliance</b>	<b>Financial Management</b>	<b>Operational Controls, Transparency &amp; Reporting</b>
<p><b>GROWTH STAGE</b></p> <p><b>Has raised \$75M-\$200M or has \$50M-\$100M ARR</b></p>	<ul style="list-style-type: none"> <li>• Additional board committees where necessary with expanded oversight</li> <li>• Appointment of independent directors that does not represent any particular investor / shareholder</li> <li>• Code of Ethics and Code of Conduct adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Stress testing frameworks and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Third party managed whistleblower mechanisms</li> </ul>

## APPENDIX D – AI-DRIVEN GOVERNANCE SOLUTIONS

S/N	Company	Link	Description
1	Transparently.AI	<a href="https://www.transparently.ai/">https://www.transparently.ai/</a>	Uses AI to predict accounting manipulation and company collapse by analysing financial data across a large number of companies.
2	Forensic Alpha	<a href="https://www.forensicalpha.com/">https://www.forensicalpha.com/</a>	Employs NLP algorithms to identify red flags in financial statements and governance reports, helping portfolio managers spot potential risks.
3	Hudson Labs	<a href="https://www.hudson-labs.com/">https://www.hudson-labs.com/</a>	Offers an AI-driven investment research platform that automates equity research workflows and provides systematic forensic analysis.
4	Sprinto	<a href="https://sprinto.com/">https://sprinto.com/</a>	Offers automated compliance solutions, helping businesses achieve and maintain certifications like SOC 2 and ISO 27001 through continuous monitoring and reporting.
5	Vanta	<a href="https://www.vanta.com/">https://www.vanta.com/</a>	Provides automated compliance and security management, assisting companies in achieving standards such as SOC 2, HIPAA, and GDPR by continuously monitoring systems and generating necessary reports.
6	Centraleyes	<a href="https://www.centraleyes.com/">https://www.centraleyes.com/</a>	Delivers a comprehensive cyber risk management platform, enabling organisations to automate and orchestrate risk and compliance processes through real-time dashboards and reporting.
7	Auditboard	<a href="https://www.auditboard.com/">https://www.auditboard.com/</a>	Offers a connected risk platform designed to streamline audit, risk, and compliance management, providing tools for SOX compliance, operational audits, and enterprise risk management.
8	Drata	<a href="https://drata.com/">https://drata.com/</a>	Automates compliance workflows, helping companies achieve frameworks like SOC 2, ISO 27001, and

			GDPR through continuous control monitoring and evidence collection.
9	Quantexa	<a href="https://www.quantexa.com/">https://www.quantexa.com/</a>	Utilises AI for decision intelligence, enabling organisations to unify data and gain insights for applications such as financial crime detection, customer intelligence, and risk management.
10	Qualifyze	<a href="https://www.qualifyze.com/">https://www.qualifyze.com/</a>	Digital platform for managing quality audits, offering access to a global audit library and tools to streamline audit workflows.
11	Fourthline	<a href="https://www.fourthline.com/">https://www.fourthline.com/</a>	Delivers identity verification solutions through a modular platform, assisting businesses in sectors like banking and fintech with compliance and fraud prevention.
12	Compliance.AI	<a href="https://www.compliance.ai/">https://www.compliance.ai/</a>	Regulatory compliance and risk management platform that uses AI to monitor regulatory changes and map them to internal policies, helping organisations stay compliant with evolving regulations.
13	Kount	<a href="https://kount.com/">https://kount.com/</a>	Provides AI-driven fraud detection and prevention solutions, helping businesses protect against payment fraud, account takeover, and other digital fraud threats.

## APPENDIX E – SAMPLE WHISTLEBLOWER POLICY

*\*Note: This sample whistleblowing policy has been generously provided by Steward Redqueen and Integra Partners. It is intended solely as a reference document and is provided for guidance purposes only. Users should adapt the policy to suit the specific regulatory, operational, and governance context of their organisation. For any questions on the policy, reach out to Integra and Steward Redqueen for explanation and support.*

### Creating a Whistleblowing Policy

We understand it can be challenging to put all your practices into formal policies. As such we have developed a suite of policy templates that can support you in formalising your practices. These policy templates are designed to act as a guide on what early-stage companies, such as your own, should have in place. However, we look forward to hearing your thoughts and feedback on the feasibility of making these your own documents and meeting the standards we have suggested.

### What is a Whistleblowing Policy?

A Whistleblowing Policy describes a company's standards and processes in place to address key risks related to illegal or unethical wrongdoing and misconduct within an organisation. This Whistleblowing Policy template focuses on the topics of fraud, financial mismanagement and intentionally erroneous financial reporting. The scope of a company's Whistleblowing Policy may be expanded to cover any other malpractice and misconduct within the company. As this policy directly affects all internal and external stakeholders, it should be clearly communicated and publicly available (e.g., on the company website). The policy should be regularly reviewed to reflect changes to internal operations, regulations, and the business environment.

For easy implementation of the Whistleblowing Policy, refer to this list of definitions in order of appearance:

- Whistleblower: an individual who reports illegal or unethical conduct
- Grievance: any issue about an action, decision, behaviour, or policy that is perceived as being unfair, harmful, or unjust to the individual. Grievances may relate to workplace conditions, business practices, customer service, or community interactions
- Concern: any issue about an act of wrongdoing that may affect the individual, others or the organisation. Concerns include, but are not limited to, fraud, corruption, unethical behaviour, or other misconduct
- Report: any concern that is submitted by the whistleblower. This is separate from an investigation report which is developed by the investigator

- Stakeholder: any individual, group, or entity that is directly or indirectly impacted by company activities or operations. This includes (but is not limited to) employees, consumers, investors, partners, community members, and regulatory bodies
- Fraud: any deliberate deception, dishonesty or misrepresentation for financial or personal gain (including but not limited to, forgery, embezzlement and manipulation of records)
- Financial mismanagement: any poor handling of financial resources, leading to inefficiency or loss (including but not limited to, inadequate financial controls, misallocation of funds and failure to comply with applicable financial policies or regulations)
- Intentionally erroneous financial reporting: any deliberate misstatement, omission or manipulation of financial information to mislead stakeholders (including but not limited to, falsifying revenues, understating liabilities or misrepresenting financial health)

### How should I use the template?

This template presents a core structure alongside whistleblowing topics that are relevant to most companies. Each section offers specific instructions on what companies should include per topic and lists policy language they can adapt. Please note that the template is merely a starting point. Companies are expected to make changes to match their unique characteristics and structures, as well as their language and style.

There are various criteria to consider when adapting the Whistleblowing Policy to your company's specific circumstances. In this template, we provide guidance based on company maturity to create corresponding mechanisms that effectively implement the Whistleblowing Policy. We set higher expectations for more mature companies, which will vary depending on factors such as the complexity of the business, volume of revenue and the amount of funding that has been raised. While a mature company may sometimes be considered companies at Series C and beyond, these factors should all play a role in determining what would be appropriate for each company.



## Whistleblowing Policy Template

### Commitment and scope

Describe your company's key values and mission and link this to the objectives and commitments of the Whistleblowing Policy. Describe what concerns the policy applies to. List the business lines / products / opcos / stakeholders / countries the policy applies to. Describe your commitment to respecting local whistleblowing laws and regulations. While there are no specific whistleblowing laws and regulations in Singapore, we recommend that you check for your country of operation.

Language to adapt:

1. *[Company name]* commits to ethical conduct, good governance and transparency.
2. As such this policy demonstrates our commitment to encourage internal and external stakeholders to report any malpractice and misconduct within *[company name]*.
3. This policy addresses the key aspects of fraud, financial mismanagement and intentionally erroneous financial reporting *[include relevant additional topics]*. We define the key terms related to the Whistleblowing policy below:
  - Whistleblower: an individual who reports illegal or unethical conduct
  - Grievance: any issue about an action, decision, behaviour, or policy that is perceived as being unfair, harmful, or unjust to the individual. Grievances may relate to workplace conditions, business practices, customer service, or community interactions
  - Concern: any issue about an act of wrongdoing that may affect the individual, others or the organisation. Concerns include, but are not limited to, fraud, corruption, unethical behaviour, or other misconduct
  - Report: any concern that is submitted by the whistleblower. This is separate from an investigation report which is developed by the investigator
  - Stakeholder: any individual, group, or entity that is directly or indirectly impacted by our activities or operations. This includes (but is not limited to) employees, consumers, investors, partners, community members, and regulatory bodies
  - Fraud: any deliberate deception, dishonesty or misrepresentation for financial or personal gain (including but not limited to, forgery, embezzlement and manipulation of records)
  - Financial mismanagement: any poor handling of financial resources, leading to inefficiency or loss (including but not limited to, inadequate financial controls, misallocation of funds and failure to comply with applicable financial policies or regulations)
  - Intentionally erroneous financial reporting: any deliberate misstatement omission or manipulation of financial information to mislead stakeholders (including but not limited to, falsifying revenues, understating liabilities or misrepresenting financial health)
  - *[include other relevant definitions]*

### Procedures

Describe the procedures put in place to ensure the effective implementation of the Whistleblowing Policy.

### Reporting a concern

Describe how concerns can be reported for internal and external stakeholders.

*As the Board may be engaged to receive reports, companies should provide email addresses of all board members. For companies where Board members are the only reporting channel, clarify that all reports go to all non-conflicted Board members.*

Language to adapt:

1. Stakeholders may report a concern through a *[reporting channels e.g., official manager / HR representative / responsible government entity / whistleblower platform / online form / email]*. Stakeholders may choose to report a concern anonymously through any of these channels. Or:
2. For young companies where Board members are the only submission channel: Stakeholders must report concerns to all non-conflicted Board members. If all Board members are implicated, stakeholders should report concerns to *[alternative reporting channels e.g., relevant employees or investor]*.
3. The report should include as much information as possible to assist the *[party in charge of handling reports]* in determining the appropriate action. Reported information should include:
  - Implicated parties
  - Witnesses
  - Event(s) date, timing and location
  - Correction attempts and outcomes
  - Any other relevant information
  - Evidence of all claims
4. If there is no evidence reported or the report does not have reasonable particularity which describes the concern in fair detail, the report may not be investigated.

### **Selecting key personnel handling reports**

*Describe the considerations taken to select the party in charge of handling reports and the investigator. Ensure that the party in charge of handling reports and the investigator are not implicated in the report raised.*

- *For young companies, the Board should be engaged to receive reports. Where there is a single Board member, specify the next relevant parties to receive reports.*
- *For more mature companies (typically at Series C and beyond), an independent external third party should be engaged to receive reports. This could come in the form of tools that facilitate anonymous reporting, but can enable the party in charge of handling reports to correspond with the whistleblower to gather additional information.*

Language to adapt:

1. *[Company name]* has appointed *[the Board / relevant employee / investor / independent external third party]* as the party in charge of handling reports.
2. *[Party in charge of handling reports]* will determine who is/are responsible for carrying out the investigation (hereafter 'investigator'). To the extent practicable, the investigator appointed should have the capacity to deal with the report impartially and appropriate to the nature of the concern (e.g., having sufficient financial knowledge). The investigator could be the party in charge of handling reports.

## Managing a report

*Describe how the party in charge of handling reports and investigator will receive reports, conduct assessments and investigations, and execute actions. Companies can consider establishing an automated initial response to confirm receipt of reports.*

Language to adapt:

1. *[Party in charge of handling reports]* will provide formal acknowledgement of receipt within *[reply period e.g. 3 business days]* if the whistleblower provides a reply channel.
2. *[Party in charge of handling reports]* will proceed to assess the report to check if it is appropriate (i.e., they fall within the scope of the Whistleblowing Policy), evidence is provided, and the severity and implications of the concern. *[Party in charge of handling reports]* will inform the whistleblower if an investigation will be conducted within *[reply period e.g. 10 to 15 business days]*.
3. *[Party in charge of handling reports and/or investigator]* will establish the investigation objective, gather evidence (to the extent possible) and create an investigation report on the findings and provide recommendations. The investigator will ensure to conduct the investigation promptly, dependent on information availability and the nature of the case. The investigation report will be provided to the relevant reviewees *[e.g., the Board / Audit Committee / designated committee]* to determine the next course of action. Subject to any legal constraints, the investigator will inform the whistleblower as soon as the investigation outcome is available.
4. Should the investigation find the report to be unsubstantiated: no further action will be executed.

Should the investigation find the report to be substantiated: *[Party in charge of handling reports and/or investigator]* will take appropriate action. In the case of any criminal offenses, *[party in charge of handling reports and/or investigator]* will refer the matter to the relevant authorities for appropriate action. *[Party in charge of handling reports and/or investigator]* will also inform the Board *[include any other relevant parties]* and seek any necessary legal advice.

## Whistleblower Protection and Frivolous Concerns

*Describe the company's commitment to protecting the whistleblower and handling frivolous reports. This should include the company's stance on (i) anonymous reports, (ii) confidentiality of the whistleblower, involved parties and relevant information, (iii) non-retaliation of the whistleblower and (iv) managing reports that are inappropriate, filed in bad faith or with malicious intent.*

*Companies can also choose to reward the whistleblower should reports lead to the prevention or mitigation of negative consequences. Companies can choose to define the reward and conditions warranting a reward.*

Language to adapt:

1. *[Company name]* allows for anonymous reports to be submitted. However, anonymous reports may result in our inability to provide acknowledgement, and follow-up with the whistleblower to provide information on the outcomes or request further information to conduct the assessment and/or investigation.
2. *[Company name]* commits to protecting the confidentiality of the whistleblower, involved parties and relevant information. All reports, including the identity of the whistleblower, people involved and information in the report, will be kept secure and only accessible to relevant persons indefinitely or when required by authorities.
3. The relevant persons include the party in charge of handling reports during the course of the assessment, the investigator during the course of the investigation, the relevant reviewees *[e.g., the Board / Audit Committee / designated committee]* when determining the final action, and the authorities whenever required.
4. In situations where the whistleblower's identity needs to be disclosed to parties who are non-relevant persons, the whistleblower's consent must be acquired before disclosing their identity.
5. *[Company name]* commits to protecting the whistleblower from any form of retaliation, including dismissal, injury, discrimination, harassment or damage to personal property *[list other forms of retaliation]* which directly results from a good-faith whistleblowing report. Any employee found to have engaged in retaliation will be subject to disciplinary action. The whistleblower is not exempt from the consequences of their own malpractice and misconduct.
6. Reports that are found to be inappropriate, filed in bad faith or with malicious intent will not be investigated. The party responsible for submitting such a report may be subject to disciplinary action.
7. For companies seeking to reward the whistleblower: *[Company name]* will reward the whistleblower with *[define reward]* when *[define conditions warranting a reward]*.

## **Roles and responsibilities**

*Describe roles necessary to establish, implement, and maintain the policy and explain what those responsibilities entail. Responsibilities should be split between execution (e.g. party in charge of dealing with reports and investigator) and oversight (relevant reviewees e.g., the Board or Audit Committee or a designated committee).*

Language to adapt:

1. *[Company name]* has assigned relevant reviewees *[e.g., the Board / Audit Committee / designated committee]* the responsibility to oversee the implementation of the Whistleblowing Policy. The *[party in charge of reporting channels, handling reports and/or investigator]* is responsible for executing the Whistleblowing Policy to ensure the company complies with its Whistleblowing Policy commitments.

## **Monitoring, Evaluation and Learning**

*Describe how any actions taken under the Whistleblowing Policy will be monitored and reviewed, the frequency to which the Whistleblowing Policy will be updated, and how relevant stakeholders will be informed.*

Language to adapt:

1. *[Party in charge of handling reports and/or investigator]* will report to the Board *[include relevant parties]* quarterly on all reports. This should include the number and type of reports.
2. The Whistleblowing policy will undergo *[insert frequency]* reviews and will be updated to account for evolution of best practices and regulatory changes.
3. All relevant stakeholders will be informed on (i) the availability of the whistleblowing mechanism and (ii) the handling of reports.

## **DISCLAIMER**

This whitepaper is published by the Singapore Venture & Private Capital Association (SVCA) and Amvesindo for public distribution and is intended to inform discussions on governance and financial management practices in Southeast Asia's private capital markets. It reflects the views and recommendations of contributors at the time of writing.

This document is provided for general informational purposes and as recommendations only and does not constitute investment, legal, tax, or other professional advice. While reasonable efforts have been made to ensure the accuracy of the information herein, neither SVCA nor Amvesindo makes any representations or warranties, express or implied, as to the completeness, reliability, or accuracy of the content. The case studies and examples provided are illustrative and do not imply endorsement or judgment of any individual, company, or jurisdiction. We undertake no responsibility to update any of the information, statements or opinions contained in this presentation. In preparing this presentation, we have assumed and relied, without independent verification, upon the accuracy and completeness of all information and data (i) obtained from public sources or (ii) provided to us by third parties.

We welcome feedback on the feasibility and relevance of the proposed recommendations, and encourage readers to adapt the templates and frameworks to their specific contexts and operational maturity.