

About the new framework

- Govt to buy over SMRT's operating assets such as trains and signalling system for \$1.06 billion.
- SMRT will run the North-South and East-West Lines, the Circle Line and the Bukit Panjang LRT Line. It will pay an annual licence charge to LTA.
- SMRT will have to abide by higher service and maintenance standards, and face tougher penalties for breaches.
- With this framework, SMRT is expected to have an operating margin of 5 per cent on average, versus an average of 15.7 per cent it posted in the last five years.

- Public can expect higher service standards.
- Fares will continue to be regulated by Public Transport Council.
- Pending shareholder approval, SMRT will start a 15-year operating contract with LTA from Oct 1, 2016. Its current contracts range between 30 and 40 years.
- The framework opens the rail market to possible new players if incumbents are not up to scratch.