



Single Family Offices in Singapore

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Fund management activity in Singapore is a regulated business and is to be conducted via an entity set up either as branch of a foreign enterprise or a company incorporated in Singapore.

A fund management company that applies for a “licence” can do so in three types of asset management business. The first is meant for retail investors, a licence that is only awarded to those entities that have experience in managing assets over SGD 1 billion for a consistent period of five years or more and the designated individuals have deep experience in managing assets professionally.

The second (Accredited Investors) is meant for managing assets for all types of investors other than retail investors and no limitation on asset classes.

The third type is meant for venture capital businesses only.

There are exceptions for obtaining fund management license in Singapore, that is to say those managing physical assets (real estate), those managing proprietary assets (such as single family offices or pension funds, or sovereign wealth funds, and so on) and those that already have a licensed entity in Singapore in other financial services businesses, such as banking, insurance, and so on.

The focus of this briefing will be on single family offices, which are exempted from obtaining a fund management license in Singapore.

What is the definition of single-family office for purposes of fund management regulations in Singapore?

"Single family office" is not a defined term in the Securities and Futures Act, but it generally refers to an entity which manages assets for or on behalf of only one family and is wholly owned or controlled by members of the same family. The term "family" in this context may refer to

individuals who are directly related by blood, as well as spouses, ex-spouses, adopted children and stepchildren.

Are single family offices regulated in Singapore?

The Monetary Authority of Singapore (**MAS**) does not intend to licence or regulate SFOs. SFOs may rely on existing exemptions in the Securities and Futures Act.

Corporations which carry on business in fund management for or on behalf of any of its related corporations, so long as none of the capital markets products or spot foreign exchange contracts being managed, are:

- held on trust for another person by the second-mentioned corporation
- the result of any investment contract entered into by the second-mentioned corporation
- beneficially owned by any person, other than the first-mentioned or second-mentioned corporation

MAS makes exemptions for SFOs on a case-by-case basis. However, MAS does consider the following arrangements to be broadly typical of SFO arrangements. An SFO which has (or plans to have) these arrangements is advised to include the information when applying for licensing exemption:

- Where there is no common holding company, but the assets managed by the SFO are held directly by natural persons of a single family
- Where assets are held under a discretionary trust, the settlor of the trust and the beneficiaries are members of the same family
- Where a family trust is set up for charitable purposes, the charitable trusts are funded exclusively by settlor(s) from a single family
- Where non-family members such as key employees of the SFO are shareholders in the SFO for the purpose of alignment of economic interest and risk-sharing, the initial assets and additional injection of funds are funded exclusively by a single family

MAS may take between two and four months to review an application for licensing exemption, depending on the complexity of the arrangement, quality of the information submitted, and responsiveness of the applicant.

Are multi-family offices regulated in Singapore?

Yes, multi-family offices are deemed to be conducting fund management activity and hence they

would be fall under various categories of licensing or registration for fund management.

Are there any tax incentives for single family offices investments and businesses in Singapore?

There are indeed, two tax incentives for single family offices in Singapore that are administered by MAS. The conditions for their applications are as follows:

Section 130 (Singapore resident fund scheme)

- Minimum S\$20 million in Designated Investments at the point of application and throughout the incentive period
- Employ minimum two professionals, of whom at least one is not a family member of the beneficial owners at the point of application and throughout the incentive period
- Tiered Spending Requirement, with minimum S\$200,000 in Local Business Spending
- Investing lower of S\$10 million or 10% of AUM in:
 - Equities, REITS, Business Trusts, or ETFs listed on MAS-approved exchanges
 - Qualifying Debt Securities
 - Non-listed funds distributed by licensed financial institutions in Singapore
 - Investments into non-listed Singapore operating companies
 - Climate-related investments
 - Blended Finance Structures aimed at supporting sustainable development, with substantial involvement of Financial Institutions in Singapore
- Fund administrator must be based in Singapore
- Fund must invest in investments designated as those by the IRAS from time to time

Section 13U (Enhanced Tiered Fund Scheme)

- Minimum S\$50 million in Designated Investments at the point of application and throughout the incentive period
- Employ minimum three professionals, of whom at least one is not a family member of the beneficial owners at the point of application and throughout the incentive period

- Same business spending requirements as Sec 130
- Similar local investment condition as 130
- Fund administrator must be based in Singapore
- Fund must invest in investments designated as those by the IRAS from time to time

It is to note that these incentive schemes also allow for interest withholding taxes which can be relied upon by the qualifying funds. Such funds can also reclaim most of the Singapore Goods and Services Tax (GST).

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Find out more about [setting up a fund management business in Singapore](#) and the different types of funds available.

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Key Contacts



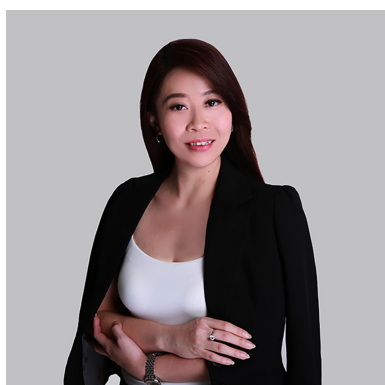
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