Crypto in the family office's asset mix

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The designated investments problem of Chapter IV strikes a crypto family office harder than a commercial fund, because the family's wealth often consists largely of the tokens that made it. A family fund whose assets are 80 per cent Ether and 20 per cent Singapore-dollar deposits has designated investments of 20 per cent of its value. If the total is S$ 50 million, the designated investments are S$ 10 million and the fund fails the S$ 20 million test for section 13O. The fund can still exist and the family can still live in Singapore, but the exemption is not available. The family fund is then taxed as an ordinary company on any income that is revenue in nature.[1]

Three responses are seen in practice. The first is to hold the tokens outside the incentivised fund, in the family members' own names or in a separate unincentivised company, and to fund the incentivised vehicle with the proceeds of token sales invested in designated investments. The family members who hold tokens personally are Singapore residents, so their capital gains are untaxed and their foreign-sourced income is exempt under section 13(7A) (Chapter II of this Part). The question of staking rewards is the only one that remains. The second response is to convert the token exposure into designated investments through listed ETPs and derivatives, which the larger family offices do for part of the book.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

The third is to accept a split structure in which a section 13U fund holds the liquid securities portfolio while a sister company holds the tokens. The sister company pays 17 per cent on any trading profit, which for a family that holds for the long term is usually nil.

Example

A founder sold his share of a Singapore exchange in 2024 for US$ 90 million, of which US$ 30 million was paid in Bitcoin and the remainder in cash. He wishes to settle in Singapore with his family. His adviser establishes a management company with two investment professionals, one of them an external hire. The cash is contributed to a section 13U VCC and invested in global securities and in Singapore-listed equities for the capital deployment requirement. The Bitcoin stays in the founder's own cold storage. His own long-term holding produces no Singapore tax. The VCC's income is exempt. The management company is funded by a fee from the VCC and pays 17 per cent on a modest profit. The founder applies for permanent residence under the Global Investor Programme's family office option, for which the VCC's assets count.

Notes

1. Income Tax Act 1947, s. 43(1) (corporate rate of 17 per cent) and s. 43(6) (partial tax exemption). The badges of trade analysis of Chapter I of this Part determines whether the fund's token gains are revenue. ↩

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.