Holding through a trust

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

Singapore trusts

Singapore is a mature trust jurisdiction. The Trustees Act 1967 provides the default powers and the Trust Companies Act 2005 licenses professional trustees. The Singapore courts have confirmed that digital assets can be the subject of a trust.[1] A trust settled by a non-Singapore resident with a Singapore-licensed trustee and no Singapore-resident beneficiaries is a "foreign trust". It is exempt from Singapore tax on specified income, including gains on designated investments, under s. 13G of the Income Tax Act. A "locally administered trust" under s. 13Q obtains a comparable exemption where the settlor and beneficiaries are individuals and the trustee is licensed.[2] Whether digital assets are "designated investments" for these exemptions follows the same question as for funds in Chapter VI, with the same uncertainty for staking income.

The practical obstacle is the trustee. Licensed trust companies in Singapore have been slow to accept digital assets because their own insurers, auditors and banks have been reluctant. The ones that do accept them require the assets to be held with a licensed custodian in the trustee's name, impose a minimum fee of S$ 30,000 to S$ 60,000 a year and decline to hold tokens other than the major ones. A trust that holds a founder's own protocol tokens, with vesting and governance rights, is a hard

© 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.

sell to any licensed trustee. It is usually structured with a private trust company owned by the family as trustee, which the Trust Companies Act permits without a licence where the company acts only for connected persons.[3]

Trusts seen from Switzerland

Switzerland recognises trusts governed by foreign law under the Hague Convention and gives them full effect in private law, including the segregation of trust assets from the trustee's estate in the trustee's bankruptcy.[4] The Swiss tax treatment follows the Swiss Tax Conference's Circular No. 30. A revocable trust is transparent and the settlor is taxed. An irrevocable fixed-interest trust is attributed to the beneficiaries. An irrevocable discretionary trust settled by a non-Swiss-resident settlor is taxed to no one in Switzerland until distribution, while a discretionary trust settled by a Swiss resident is attributed to the settlor.[5] The consequence for a Zug founder is that a trust settled by them while resident in Switzerland gives no Swiss tax advantage during their lifetime, although it may serve the succession and protection purposes of Chapter VIII. A trust settled before taking up Swiss residence, by contrast, can hold digital assets outside the Swiss tax net until distribution. That timing point is one of the strongest reasons to settle structures before moving.

The 2024 abandonment of the Swiss trust bill means that Switzerland will not have a domestic trust law in the foreseeable future, so Swiss-resident families continue to use Jersey, Guernsey, Singapore and Liechtenstein trusts.[6] A Singapore trust with a Singapore-licensed trustee is a natural choice for a Swiss family with Asian connections, because the Singapore trust law is modern, the courts are experienced in digital-asset matters and the trustee can hold the tokens through a Singapore-licensed custodian.

Vehicle	Swiss-resident holder	Singapore-resident holder
Personal	Wealth tax; gains tax-free if private	No tax on capital gains; no wealth tax

© 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.

Vehicle	Swiss-resident holder	Singapore-resident holder
Swiss company	Profit tax c. 12 %; dividends partially taxed	Treated as foreign company; dividends foreign-sourced, exempt if conditions met
Singapore company	Controlled foreign company attributed only if tax avoidance; dividends partially taxed	No tax on gains; dividends exempt
Swiss family foundation	Permitted only for Art. 335 CC purposes	Rarely used
Liechtenstein foundation	Attributed to founder if controlled; otherwise opaque	Treated by analogy to company or trust
Singapore trust	Transparent if revocable or Swiss settlor; opaque if settled before residence	s. 13G or 13Q exemption if conditions met
Jersey or Guernsey trust	Same as Singapore trust	Foreign trust; distributions to residents exempt if capital

Notes

1. Trustees Act 1967 (2020 Rev. Ed.); Trust Companies Act 2005 (2020 Rev. Ed.), s. 3 (licensing of trust business); ByBit Fintech Ltd v Ho Kai Xin [2023] SGHC 199 at [31]–[36] (USDT held on trust; crypto assets as choses in action capable of being held on trust). Part J, Chapters I and II. ↩
2. Income Tax Act 1947, s. 13G (exemption of income of foreign trusts) and s. 13Q (exemption of income of locally administered trusts); Income Tax (Exemption of Income of Foreign Trusts) Regulations; Income Tax (Exemption of Income of Locally Administered Trusts) Regulations. Part M, Chapter V. ↩
3. Trust Companies (Exemption) Regulations, reg. 4 (exemption of private trust companies providing trust business services only to connected persons,

© 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.

subject to engaging a licensed trust company for administration); MAS, Guidelines on Private Trust Companies. Part J, Chapter II. ↩

4. Hague Trusts Convention, SR 0.221.371, Arts 2 and 11; PILA, SR 291, Art. 149a (recognition) and Art. 149d (publicity for trust assets registered in Swiss registers); DEBA, SR 281.1, Art. 284a (segregation of trust assets in the trustee's bankruptcy). Part D, Chapter VIII. ↩
5. SSK Circular No. 30 of 22 August 2007, "Besteuerung von Trusts", sections 4 and 5; FTA Circular No. 20 of 27 March 2008 (adoption of the SSK circular for the direct federal tax). Part G, Chapter II. ↩
6. Federal Council, media release of 15 September 2023 on the outcome of the consultation on the introduction of a Swiss trust (Art. 529a ff. CO) and decision to abandon the project; Parliament's decision to write off the motion in 2024. Part D, Chapter VIII. ↩

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 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.