Singapore V: Taxation and Incentives

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Tax is the reason many clients first look at Singapore and the reason some of them later leave. The city state taxes income on a territorial basis, does not tax capital gains, exempts the exchange of digital payment tokens from GST and offers fund vehicles whose investment income is exempt by statute. Every one of those statements is true and every one of them carries a qualification that decides the outcome of a mandate. A founder who sells tokens from Singapore will discover that the "no capital gains tax" headline depends on a trader-or-investor analysis that IRAS conducts on the facts. A fund manager will discover that the fund incentives were written for securities and that payment tokens sit uneasily on the list of designated investments. A family office will discover that the conditions were tightened in 2023 and again in 2025, after the money-laundering case of August 2023 had changed the tone of every MAS review.

This Part sets out the Singapore tax treatment of digital assets as it stood on 30 June 2026. It begins with income tax (Chapter I), then takes the capital gains question apart (Chapter II), turns to GST (Chapter III) and to the fund and family-office incentives that bring most institutional money into the city (Chapters IV and V). Chapter VI deals with founders and employees, including token plans, residence and

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the pass system that controls who may live and work in Singapore. Chapters VII and VIII cover transparency and disputes. Chapter IX closes with the Singapore–Switzerland double taxation agreement, the instrument that determines how the two hubs of this book divide taxing rights between them.

The Swiss side of every comparison is in Part G. Where this Part says "compare Zug", the reader will find the corresponding Swiss rule there, while Part O, Chapter I draws the two systems together axis by axis. Part P, Chapter I turns the arithmetic into a decision for a founder choosing between Zug and Singapore as a place to live.

Two warnings apply throughout. First, Singapore tax law changes with every Budget in February and every Income Tax (Amendment) Act in the autumn, while the fund and family-office conditions change by MAS circular with little notice. Second, Singapore's tax authority, the Inland Revenue Authority of Singapore (IRAS), publishes its administrative positions in e-Tax Guides that are not law but are applied as if they were. The Comptroller's practice on digital tokens is set out in two such guides, both reissued on 30 January 2026. A reader who understands those guides understands most of the practical tax position.

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