The tax incentive conditions for single family offices

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Single family office funds obtain their exemption under section 13O or 13U, but the conditions are stricter than for commercial funds and have been tightened twice. The April 2022 revision introduced a minimum fund size of S$ 10 million for section 13O, rising to S$ 20 million within two years, together with a local investment requirement.[1] The revision announced on 5 July 2023 removed the grace periods and set the conditions that applied on 30 June 2026, subject to the 2025 adjustments noted in Chapter IV.[2]

A section 13O family fund must hold a minimum of S$ 20 million in designated investments at application and at all times during the incentive period. It must employ at least two investment professionals, of whom one must not be a family member, and incur local business spending of at least S$ 200,000 in each basis period. For a section 13U family fund the minimum is S$ 50 million in designated investments, with three investment professionals of whom one must not be a family member and the same spending floor. An investment professional must be a Singapore tax resident employed as a portfolio manager, research analyst or trader earning at least S$ 3,500 a month and must have relevant experience or

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qualifications.[3] The spending floor was replaced from 1 January 2025 by the tiered structure described in Chapter IV for commercial funds, and MAS confirmed that family offices were otherwise unaffected by the 2024 circular.

The capital deployment requirement is the condition that most affects portfolio construction. A family fund must invest at least the lower of 10 per cent of its assets under management or S$ 10 million in eligible local investments, measured at the end of the first full year and in every year thereafter. Eligible investments include equities, REITs, business trusts and ETFs listed on MAS-approved exchanges, qualifying debt securities, non-listed funds distributed by Singapore-licensed financial institutions, non-listed Singapore operating companies with substantive presence, climate-related investments and blended finance structures with substantial Singapore financial institution involvement. Some categories count double: listed equities and ETFs, non-listed funds mandated to invest in Singapore equities and deeply concessional capital in qualifying blended finance count at twice their value, and concessional capital in blended finance at one and a half times.[4] Donations to local charities and grants to blended finance structures also count towards local business spending, the latter at twice their value.[5]

Condition (family funds, as at 30 June 2026)	**s. 13O**	**s. 13U**
Minimum designated investments	S$ 20 million at application and throughout	S$ 50 million at application and throughout
Investment professionals	2, at least 1 non-family	3, at least 1 non-family
Investment professional salary floor	S$ 3,500 per month, Singapore tax resident	S$ 3,500 per month, Singapore tax resident
Local business spending	Tiered from S$ 200,000	Tiered from S$ 200,000
Capital deployment requirement	Lower of 10 % of AUM or S$ 10 million	Lower of 10 % of AUM or S$ 10 million
Grace period	None	None

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Condition (family funds, as at 30 June 2026)	s. 13O	s. 13U
Legal form	Singapore company or VCC	Any
Qualifying investor rule	None	None

Notes

1. MAS, revised conditions for single family office applications under ss. 13O and 13U announced in April 2022 (effective 18 April 2022). ↩
2. MAS, updated conditions for single family office applications under ss. 13O and 13U, announced 5 July 2023 and applicable to applications submitted after 10 a.m. on that date, as summarised in Duane Morris & Selvam LLP, *Updates to the Application Criteria for Family Offices under the S13O and S13U Tax Incentive Schemes*, 12 July 2023. ↩
3. MAS, updated conditions for single family offices of 5 July 2023 (S$ 20 million / S$ 50 million in designated investments, non-family investment professional, S$ 200,000 local business spending, S$ 3,500 monthly salary floor for investment professionals), as summarised in Duane Morris & Selvam LLP, 12 July 2023. ↩
4. MAS, capital deployment requirement for single family offices of 5 July 2023 (lower of 10 per cent of AUM or S$ 10 million; eligible categories and multipliers of 2x and 1.5x), as summarised in Duane Morris & Selvam LLP, 12 July 2023. ↩
5. MAS, updated conditions of 5 July 2023 (donations to local charities and grants to blended finance structures count towards local business spending, grants at 2x), as summarised in Duane Morris & Selvam LLP, 12 July 2023. The Philanthropy Tax Incentive Scheme for family offices announced in Budget 2023 is a separate measure and is addressed in Part P, Chapter VII. ↩

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