The three schemes

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Section 13D: the offshore fund

Section 13D exempts a non-resident fund that has no presence in Singapore other than its Singapore fund manager. The fund may be a company, trust or individual, must not be 100 per cent beneficially owned by Singapore investors and must not be a Singapore-resident company. The scheme is self-administered: no application to MAS is needed and the fund manager files an annual declaration. The price of the simplicity is the "qualifying investor" rule. A non-qualifying investor is, broadly, a Singapore resident or permanent establishment holding more than 30 per cent of the fund (50 per cent if the fund has ten or more investors). Such an investor must pay a financial penalty equal to its share of the fund's tax that would otherwise have been due.[1] From the financial year ending in 2027 the Singapore fund manager must employ at least one investment professional for the section 13D fund, a condition that did not previously exist.

A Cayman Islands or BVI crypto fund with a Singapore manager is the classic section 13D structure and remains common after the DTSP regime of 2025, because the fund itself provides no service and the manager is licensed in Singapore. The fund's Singapore manager must be a licensed or registered fund management company, a point taken up below.

Section 13O: the Singapore resident fund

Section 13O exempts a fund that is a Singapore-incorporated company or a Singapore VCC, tax-resident in Singapore and approved by MAS. The fund must use a Singapore-based fund administrator and must be managed by a Singapore fund manager. From 1 January 2025 a non-family section 13O fund must hold at least S$ 5 million in designated investments at each financial year end. It must incur tiered local business spending (S$ 200,000 below S$ 250 million of assets, S$ 300,000 between S$ 250 million and S$ 2 billion, S$ 500,000 above). It must also have at least two investment professionals at the manager. The condition that the company must be newly incorporated for the purpose was removed in 2024, and MAS no longer approves the investment strategy, although changes must be notified.[2] Section 13OA extends the scheme to Singapore limited partnerships.

The attraction of section 13O for a digital-asset fund is residence. A Singapore-resident fund can obtain a certificate of residence from IRAS and claim treaty benefits in Switzerland and elsewhere, which an offshore section 13D fund cannot. Whether a crypto fund needs treaty benefits is a separate question, because staking rewards and token gains rarely suffer withholding tax anywhere.

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Section 13U: the enhanced tier

Section 13U is the scheme for larger funds and the only one open to any legal form, including foreign vehicles, master-feeder structures and special-purpose vehicles under a single award. The fund must hold at least S$ 50 million in designated investments at application and at each financial year end, must meet the same tiered local business spending as section 13O and must have at least three investment professionals at the manager.[3] Section 13U has no qualifying investor rule, which makes it the scheme of choice for funds with Singapore investors. Closed-end funds under sections 13O and 13U may elect a modified regime in which the asset test applies only in the first five years and local business spending may be met cumulatively over ten years.

Condition (from 1 January 2025)	s. 13D	s. 13O (non-SFO)	s. 13U (non-SFO)
Legal form	Non-resident company, trust, individual	Singapore company or VCC	Any, including foreign vehicles
MAS approval	No (self-administered)	Yes	Yes
Minimum designated investments	None	S$ 5 million at each FYE	S$ 50 million at application and each FYE
Local business spending	None	Tiered S$ 200,000 / 300,000 / 500,000	Tiered S$ 200,000 / 300,000 / 500,000
Investment professionals	1 at manager (from FYE 2027)	2 at manager	3 at manager
Singapore administrator	Not required	Required	Required
Qualifying investor rule	Yes (30 % / 50 %)	No	No
Certificate of residence	No	Yes	Yes if Singapore-resident
Scheme end date	31 December 2029	31 December 2029	31 December 2029

Notes

1. Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010, regs 3–5 (conditions; qualifying investor and financial penalty rules).
2. MAS Circular FDD Cir 10/2024 of 1 October 2024, conditions for s. 13O from 1 January 2025 (minimum S$ 5 million in designated investments, tiered local business spending, two investment professionals, removal of the new-company condition), as summarised in Deloitte Singapore, *Tax Bytes*, 3 October 2024.
3. MAS Circular FDD Cir 10/2024 of 1 October 2024, conditions for s. 13U from 1 January 2025 (minimum S$ 50 million in designated investments tested at application and at each basis-period end, tiered local business spending), as summarised in Deloitte Singapore, *Tax Bytes*, 3 October 2024.

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