Chinese family wealth and family offices

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

Why Chinese families come

The movement of Chinese wealth to Singapore has several causes. China's private wealth grew rapidly after the reforms of the 1980s and 1990s, which led its owners to look for jurisdictions in which to diversify. Hong Kong was the natural first choice because of its proximity, language and stock market. From about 2019, the protests in Hong Kong, the National Security Law of 2020, the pandemic restrictions and the regulatory campaigns against technology and education companies in China led many families to look further. Singapore offered a predominantly Chinese society in which Mandarin is widely spoken, political stability, the common law, a sophisticated private banking industry and tax incentives for family offices.

A well-known example is Zhang Yong, the founder of the hotpot restaurant chain Haidilao. Having moved to Singapore with his family in 2018, he later became a naturalised citizen. Forbes had estimated his fortune at US$15.8 billion in July 2021.[1]

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Other entrepreneurs followed, often less visibly, through permanent residence, the Global Investor Programme or simply the establishment of a family office with an employment pass for the principal and the investment staff.

The single family office as vehicle

The preferred vehicle has been the single family office with a fund that qualifies for the tax incentives under sections 13O and 13U of the Income Tax Act. Chapter III of Part E describes these schemes in detail. The number of single family offices awarded these incentives grew from about 400 at the end of 2020 to more than 2,000 at the end of 2024.[2] MAS does not publish a breakdown by nationality. In October 2024 the Chairman of MAS told Parliament that many incentivised family offices came from emerging markets and that their share had remained relatively stable.[3] Industry observers have consistently identified mainland Chinese families as one of the largest groups.

The structures used by Chinese families tend to share certain features. The family office is a Singapore private company, owned through a trust or holding structure that may sit in Singapore, the British Virgin Islands or the Cayman Islands. The fund vehicle may be a Variable Capital Company, whose features Chapter IV of Part E examines. Investment is spread across global equities, private equity and real estate. Many families keep large holdings in Chinese companies listed in Hong Kong or New York, which concentrates their risk in the economy they are trying to diversify away from.

Trusts and succession

Chinese families also use Singapore trusts for succession planning. A trust allows the founder to separate ownership from control, to provide for several generations and to hold shares in operating companies under a neutral trustee. For families whose wealth originates in China, the choice of a Singapore trustee also reflects the reputation of the Singapore courts and the experience of its trust companies with clients from Asia.

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The trust structures face a new risk from China's own tax authorities. Since 2024 the Chinese authorities have stepped up the enforcement of income tax on the offshore earnings of wealthy residents, including investment returns, dividends and share options, taxable at up to 20 per cent. In 2025 the campaign was extended to ordinary taxpayers. In the same year personal income tax revenue rose by 11.5 per cent to a record 1.62 trillion renminbi. In 2026 the authorities turned to offshore trusts holding shares in companies listed in Hong Kong. A new tax on offshore trusts took effect in October 2026.[4] The precise content of the new rules was still being analysed by advisers at the time of writing.

The change raised questions in the Singapore Parliament. In a written reply of 8 September 2026 on the impact of China's taxation of offshore trusts on Singapore's wealth management sector, the Chairman of MAS explained that the Common Reporting Standard applies to financial account information and not to real estate.[5] For Chinese tax residents, the practical consequence is clear. Assets held through a Singapore bank account or trust are reported to the Chinese tax authorities under the Common Reporting Standard, which Singapore has applied in its exchanges since September 2018, as Chapter II of Part E describes.[6] A structure that was tax-neutral in Singapore may therefore be taxable in China.

Property and public opinion

Chinese wealth also flowed into Singapore property. The government responded with higher stamp duties for foreign buyers, culminating in an Additional Buyer's Stamp Duty of 60 per cent for foreigners buying any residential property on or after 27 April 2023.[7] Chinese buyers who became permanent residents or citizens were less affected by the measure. The political sensitivity of wealth migration and its effect on housing are examined in Chapter V of this part.

Notes

1. Wikipedia, “Zhang Yong (restaurateur)” (accessed November 2026): founder of Haidilao; in 2018 he and his family “emigrated to Singapore” and he later

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became a naturalised citizen; Forbes estimate of US$15.8 billion in July 2021; sources differ on his ranking among Singapore's richest people. ↩

2. Monetary Authority of Singapore, "Written reply to Parliamentary Question on licensing of SFOs under the SFA", 5 February 2025, reply by Gan Kim Yong, Deputy Prime Minister, Minister for Trade and Industry and Chairman of MAS (mas.gov.sg): "400 as at end 2020", "over 2,000 as at end 2024". ↩
3. Monetary Authority of Singapore, "Written reply to Parliamentary Question on single family offices from emerging markets", 16 October 2024, reply by Gan Kim Yong (mas.gov.sg): many SFOs awarded tax incentives are from emerging markets, and "their proportion among all SFOs awarded tax incentives has been relatively stable over the last few years"; no breakdown by country. ↩
4. Wikipedia, "Taxation in China" (accessed November 2026): efforts to enforce taxes on the offshore earnings of wealthy residents since 2024, extended to ordinary citizens in 2025, covering investment returns, dividends and employee stock options, with investment gains taxed at up to 20 per cent; personal income tax revenue up 11.5 per cent to a record ¥1.62 trillion in 2025; in 2026 expanded efforts to tax offshore trusts holding shares in some Hong Kong-listed companies; "In October 2026, China made effective a new tax on offshore trusts." The article relies on Bloomberg News (5 June 2025, 31 March 2026 and 29 May 2026) and *The Economist* (12 October 2026). ↩
5. Monetary Authority of Singapore, "Written reply to Parliamentary Questions on impact of China's offshore trust taxation on Singapore's wealth management sector", parliamentary sitting of 8 September 2026, answer by Gan Kim Yong. ↩
6. IRAS, "CRS Overview and Latest Developments" (iras.gov.sg, accessed November 2026): "Singapore has been exchanging financial account information with partner jurisdictions under the CRS since September 2018." ↩
7. IRAS, "Additional Buyer's Stamp Duty (ABSD)" (iras.gov.sg, accessed November 2026): rate for foreigners buying any residential property 60 per

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cent on or after 27 April 2023, against 30 per cent from 16 December 2021 to 26 April 2023. ↩

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