Family Offices: Sections 13O and 13U and the Single Family Office: Comparison with Geneva and Hong Kong

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Geneva: an inherited ecosystem without a special regime

The Geneva volume described a city where family offices grew out of the private banking tradition, without any special tax regime. Under Swiss federal law, persons who manage exclusively the assets of persons with whom they have economic or family ties need no licence as portfolio managers. The exemption does not relieve them of anti-money laundering obligations where they act as financial intermediaries. A study by the University of St Gallen published in June 2024 cited an estimate of 250 to 300 single family offices in Switzerland.[1]

The differences are instructive. Singapore taxes the family office fund on conditions and counts the offices it rewards, while Switzerland applies its ordinary taxation and does not know how many offices exist. Geneva's tax instrument for wealthy foreigners is the taxation according to expenditure, which applies to individuals

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who do not work in Switzerland. Its minimum base in Geneva is 400,000 francs.[2] Singapore's incentive attaches to the investment vehicle. Geneva's attaches to the person and his consumption. The first rewards activity in the financial centre, while the second rewards residence.

Geneva also lacks the mechanism by which Singapore obliges family offices to bank locally, hire locally and invest locally. Its advantage lies in an ecosystem that families find already in place, with depositary banks, trustees, lawyers and tax advisers within a few streets. Singapore has built a comparable ecosystem in two decades, in part by using the conditions of the incentive to create demand for these services.

Hong Kong: a competing incentive

Hong Kong responded to Singapore's success with its own regime. The Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Ordinance 2023, which took effect on 19 May 2023, grants a profits tax rate of zero per cent on qualifying transactions for years of assessment beginning on or after 1 April 2022. The vehicle must be managed by an eligible single family office with specified assets of at least HK$240 million. It must have at least two qualified full-time employees and operating expenditure of at least HK$2 million in Hong Kong, and family members must hold at least 95 per cent of the beneficial interest.[3]

Converted into Singapore dollars, the Hong Kong threshold lies between Singapore's two tiers.[4] Its substance requirements are lighter, since it imposes no non-family professional, no local capital deployment and no private banking account condition. In October 2025 MAS noted that Hong Kong had announced reviews of its own family office frameworks.[5] The comparison shows that Singapore's conditions go beyond tax design. They express a policy of drawing the family office into the local economy and into the supervisory perimeter of the local banks. Chapter III of Part K pursues the comparison with Hong Kong, Dubai and the European centres.

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In figures

Single family offices with tax incentives: about 400 at the end of 2020, around 1,400 at the end of 2023, more than 2,000 at the end of 2024 and of 2025. Locals employed by incentivised offices: more than 1,700 at the end of 2023, about 2,200 in February 2025. Minimum designated investments for family office funds: S$20 million (sections 13O and 13OA), S$50 million (section 13U). Investment professionals: two (13O/13OA) or three (13U), at least one from outside the family, each earning more than S$3,500 a month. Minimum local spending: S$200,000, S$500,000 or S$1 million according to fund size. Capital deployment: the lower of 10 per cent or S$10 million. Expiry of the schemes: 31 December 2029. Class exemption: in force from 15 June 2026, transitional period until 15 June 2027, notification within 14 days, annual return within four months. Global Investor Programme, Option C: S$200 million under management, S$50 million deployed in Singapore. Money laundering case of 2023: about S$3 billion in assets, six incentivised family office funds linked to the convicted persons or their spouses, S$27.45 million in penalties on nine financial institutions on 4 July 2025. Applications under sections 13O and 13U in the three years to November 2025: some 1,300, of which about 3 per cent were rejected.

Notes

1. Ressos, *Genève, place financière internationale*, partie E, chapitre VII, on article 2, paragraph 2, letter a of the Swiss Financial Institutions Act (LEFin), citing Schellenberg Wittmer, “Nouvelles règles pour trustees et family offices”, January 2020; Ressos, *Genève, place financière internationale*, partie E, chapitre VII, citing University of St Gallen, Institute of Banking and Finance, *Swiss Single Family Offices*, 4 June 2024: 250 to 300 single family offices in Switzerland according to the Swiss Single Family Office Association. ↩
2. Ressos, *Genève, place financière internationale*, partie E, chapitre V, citing État de Genève, “L’imposition d’après la dépense”, ge.ch: minimum base of 400,000 francs in Geneva. ↩

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3. Inland Revenue Department of Hong Kong, "Tax Concessions for Family-owned Investment Holding Vehicles", ird.gov.hk (accessed November 2026). ↩
4. Conversion of HK$240 million at 2026 exchange rates (roughly S$40 million). ↩
5. MAS, written reply of 14 October 2025 to He Ting Ru, as above. ↩

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