Fund Management, External Asset Managers and Licensing

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

A wealthy family that moves its assets to Singapore rarely deals with a single institution. Its securities are usually booked with a private bank, which holds them in custody and executes transactions. The investment decisions, however, are often taken elsewhere: by an external asset manager who has left a bank to set up a firm of his own, by a hedge fund or private equity manager in whose vehicles the family invests, or by a team inside a family office. Each of these managers handles other people's money. The question of who may do so, under what conditions and under whose supervision is therefore central to the credibility of the financial centre. This chapter answers it for Singapore. It describes the licensing of fund management companies, the classes of investors who may be served under lighter rules, the position of external asset managers alongside the custodian banks, and the compliance arrangements that the Monetary Authority of Singapore expects of even the smallest manager.

Singapore's fund management industry has grown into one of the largest in Asia. Asset managers based in the city reported assets under management of about S$1.63 trillion at the end of 2012, of which roughly 80 per cent had been sourced from outside Singapore.[1] By the end of 2025 the figure had reached S$6.7 trillion,

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

managed by 1,320 asset managers with investment teams in Singapore.[2] The regulatory framework examined here was built during that expansion. Its central reform, the end of the exempt fund manager regime in 2012, and its latest, the repeal of the registered fund management company regime in 2024, frame the period.

The Geneva volume describes the corresponding development in Switzerland, where independent asset managers worked for decades without prudential supervision until the Financial Institutions Act brought them under licence from 2020.[3] Singapore reached a similar result earlier and by another route. It never created a separate status for the independent manager of private client portfolios. Such managers hold the same capital markets services licence for fund management as hedge fund and private equity managers, all of them supervised directly by MAS. The comparison at the end of the chapter asks what this difference means for clients and for firms that work in both centres.

Essentials

Anyone who carries on business in fund management in Singapore needs a capital markets services licence under the Securities and Futures Act 2001, unless an exemption applies, such as the one for single family offices. Since the repeal of the registered fund management company regime on 1 August 2024, there are two main categories of licensed manager: the retail licensed fund management company, which may serve all investors, and the A/I licensed fund management company, which may serve only accredited and institutional investors. MAS Guidelines SFA 04-G05 set the admission criteria: a Singapore company with a permanent office, a chief executive and directors with at least five years of relevant experience, at least two relevant professionals, base capital of S$250,000 to S$1 million, independent custody and valuation, an annual audit and a compliance function proportionate to the business. External asset managers, who manage private client portfolios booked with custodian banks, are licensed as fund management companies and work under an investment management agreement and a limited power of attorney. Small managers may rely on an external compliance service provider, although responsibility for compliance remains with the chief executive and the board.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Notes

1. Monetary Authority of Singapore, *2012 Singapore Asset Management Industry Survey*, July 2013, paras 1–2: total AUM of Singapore-based asset managers grew by 21.5 % to S$1.63 trillion at end-2012; approximately 80 % of total AUM sourced from outside Singapore. ↩
2. Monetary Authority of Singapore, *Singapore Asset Management Survey 2025*, p. 1: AUM grew by 10 % to S$6.7 trillion (US$5.2 trillion); "Singapore has 1,320 asset managers with investment teams managing client assets and investments out of Singapore"; 76 % of AUM sourced from outside Singapore and 88 % invested globally. ↩
3. *Genève, place financière internationale*, chapter E.VII, "Gestionnaires indépendants, *family offices* et écosystème", section "La transformation réglementaire des gestionnaires indépendants". ↩

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

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

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.