Licensed trust companies

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The licensing requirement

The Trust Companies Act 2005 governs the licensing and regulation of trust companies in Singapore. A company may need a licence if it creates an express trust, acts as trustee of an express trust, arranges for another person to act as trustee or provides trust administration services.[1] Chapter V of Part D described how the Act moved trust companies from voluntary registration with the corporate registry to mandatory licensing by MAS. The result is that the same regulator supervises the banks that hold a family's assets, the asset managers that invest them and the trustees that own them.

Conditions of the licence

The entry requirements are moderate by international standards. An applicant needs a minimum paid-up capital or qualifying assets of S$250,000 and must maintain the required net asset value afterwards, together with professional indemnity insurance commensurate with its risk. It must employ at least two resident managers, of whom one has at least five years of relevant experience and the others at least three, while MAS assesses the fitness and propriety of the applicant, its shareholders, resident

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managers and directors. MAS aims to process a straightforward and complete application within six months. The application fee is S$1,000 and the annual licence fee S$4,000.[2]

Once licensed, the trust company must comply with the MAS requirements on anti-money laundering and countering the financing of terrorism. It must maintain policies, procedures and controls suited to the nature, scale and complexity of its business and conduct that business with "honesty, fairness, integrity and professionalism". Several groups are exempt from licensing. Banks and merchant banks already licensed by MAS may carry on trust business after notifying MAS within one month, while lawyers, accountants and private trust companies may also be exempt under section 15 of the Act and regulation 4 of the Trust Companies (Exemption) Regulations.[3] The exemption for banks explains why several private banks run their trust business through the bank itself. Others prefer a separately licensed subsidiary, which keeps the liabilities of a trustee apart from the balance sheet of the bank.

The industry today

The MAS register listed 67 licences for licensed trust companies in November 2026.[4] The figure includes the trust arms of international banks, independent trust companies owned by professional groups and a number of firms founded by Singapore lawyers and accountants. In October 2005 MAS had reported at least sixteen trustee businesses.[5] The growth reflects the arrival of family wealth from across Asia and, after 2008, the migration of trust business from centres under pressure from European and American tax authorities.

Licensed trust companies perform functions that go far beyond holding title. They onboard settlors and beneficiaries, maintain the trust records, prepare accounts, arrange tax reporting and coordinate the banks, asset managers and lawyers involved in a structure. For many international families, the licensed trust company is the centre of gravity of their Singapore relationship, since the trustee often

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remains in place while the banks that hold the assets change. Its knowledge of the family is the asset on which the structure depends when a settlor dies or a dispute breaks out among the beneficiaries.

Anti-money laundering and reputation

The reputational risks of the trust industry were recognised early, as Chapter V of Part D showed. The trust company is the gatekeeper of a structure whose beneficial owners are, by design, hidden from the public. Its customer due diligence must therefore cover the settlor, the source of the assets settled, the beneficiaries and anyone with control over the trust, in accordance with a notice that MAS addresses to trust companies.[6]

The integrity cases examined in Chapter VI of this Part show why these obligations matter. Corporate vehicles and trusts appeared both in the 1MDB affair and in the money laundering case of 2023. Since then, trust companies have been expected to test the source of wealth of settlors with the same rigour as banks, a demand that has enlarged their compliance functions considerably. Chapter III of Part H describes the general framework against money laundering within which these duties operate.

Notes

1. MAS, “Trust Companies Act”, mas.gov.sg, accessed November 2026: the Act “governs the licensing and regulation of trust companies in Singapore”; Trust Companies Regulations last revised on 14 August 2018. MAS, “Licensed Trust Companies”, mas.gov.sg, accessed November 2026, on the activities that may require a licence. ↩
2. MAS, “Trust Business Licence”, mas.gov.sg, accessed November 2026: minimum paid-up capital or qualifying assets of S$250,000; professional indemnity insurance under the Trust Companies Regulations; a minimum of two resident managers, at least one with five years of relevant working experience and the others with at least three years; processing in “not more than 6 months”; application fee of S$1,000; annual fee of S$4,000. ↩

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3. MAS, “Licensed Trust Companies”, cited above: conduct and AML/CFT conditions; banks and merchant banks notify MAS on Form 8 within one month of commencing trust business; private trust companies, lawyers and accountants may be exempt; details in section 15 of the TCA and regulation 4 of the Trust Companies (Exemption) Regulations. ↩
4. MAS, Financial Institutions Directory, sector Capital Markets, licence type Licensed Trust Company, eservices.mas.gov.sg, accessed 7 November 2026: “67 result(s)”, with the note that the count may exceed the number of institutions because one institution can hold several licences. ↩
5. MAS, speech at the STEP Trusts in Asia Pacific Conference of 26 October 2005, as cited in Chapter V of Part D: at least 16 trustee businesses employing more than 250 people and acting as trustee for about S$80 billion of assets. ↩
6. MAS, Notice TCA-N03, “Prevention of Money Laundering and Countering the Financing of Terrorism – Trust Companies”, mas.gov.sg, accessed November 2026: current version last revised 30 June 2025; the earlier version of 2 December 2009 (last revised 1 March 2022) was cancelled with effect from 1 July 2025. ↩

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