Singapore as a safe haven

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

What a safe haven offers

A safe haven, in the language of finance, is a place where capital is expected to keep its value and remain accessible in times of stress. For a jurisdiction, the attributes that create this expectation are institutional. Investors look for a government that will not expropriate them, courts that will enforce their rights, a currency that will not be debased and a banking system that will not fail. They also look for discretion, although the meaning of discretion has changed since the end of banking secrecy for foreign tax purposes, which Chapter E.II describes.

Singapore offers these attributes in concentrated form. Its government has been continuously in the hands of one party since 1959 and has a reputation for long-term planning.[1] Its legal system, examined in Part F, enforces contracts in English according to the common law. The Singapore dollar is managed by the Monetary Authority of Singapore against a basket of currencies, with large official reserves behind it. All three major rating agencies assign Singapore their highest rating, AAA from S&P and Fitch and Aaa from Moody's, each with a stable outlook.[2] Official foreign reserves stood at about US$426 billion in June 2026, a figure that excludes much of the wealth managed by GIC and Temasek, which Chapter D.I examines.[3]

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These attributes matter more for wealthy families from countries whose own institutions are less reliable. A family whose business operates in a jurisdiction with volatile politics, capital controls or unpredictable courts gains much from holding part of its wealth in a place where none of those risks exists. Singapore's location adds to the attraction. It lies within a few hours' flight of China, India and the whole of Southeast Asia, shares time zones with the region and offers schools, hospitals and a standard of public safety that families value.

The historical pattern of refuge capital

The role of safe haven is older than the modern wealth management industry. The Chinese merchants who settled in the Straits Settlements in the nineteenth century already used the colony as a secure base from which to trade with less stable neighbours, as Chapter A.V showed. In the twentieth century, political upheavals in the region repeatedly sent capital and people to Singapore. Ethnic Chinese families from Indonesia, in particular, moved assets to Singapore during periods of unrest, a relationship that Chapter I.IV examines. The Asian financial crisis of 1997, described in Chapter D.III, confirmed the pattern, since Singapore weathered the crisis better than most of its neighbours and emerged with its reputation as a stable haven enhanced.

The wealth management strategy of the 2000s, examined in Chapter D.V, turned this pattern into deliberate policy. The government and MAS set out to make Singapore a centre for private banking and asset management and adapted tax law, trust law and regulation to that aim. The inflow that followed was therefore partly spontaneous and partly cultivated. It is important to keep both elements in view, because the political debate often treats the inflow as something that simply happens to Singapore, while much of it was invited.

Hong Kong, the pandemic and the wealth of China

The years after 2019 brought a new wave. The protests in Hong Kong in 2019 and the national security law of 2020 led some families with assets in Hong Kong to diversify into Singapore. Estimates of the amounts involved varied widely at the

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time, while MAS cautioned against exaggerated claims of large deposit transfers.[4] The Covid-19 pandemic followed. Singapore's management of the crisis and its reopening in 2022, while mainland China kept strict controls in place, made the city attractive to Chinese entrepreneurs who wanted a base outside the mainland.[5]

The wave left visible traces. Applications for single family office tax incentives multiplied, as Chapter E.III describes in detail. Demand for luxury property, school places and private banking services rose. The wave also brought the first serious public unease about the composition of the inflow, which the money laundering case of 2023 would sharpen, as the fourth section of this chapter shows.

Measuring the inflow

No single statistic captures the wealth that has come to Singapore. The most comprehensive public indicator is the annual Singapore Asset Management Survey of MAS. Total assets under management in Singapore rose 10.1 per cent to S$6.7 trillion at the end of 2025, with net inflows of S$376 billion, 29 per cent more than in the previous year.[6] Of these assets, 76 per cent came from outside Singapore and 39 per cent from the Asia-Pacific region excluding Singapore, while about 88 per cent were invested outside the city-state.[7]

These figures show that Singapore is above all a booking and management centre. Most of the money managed there neither comes from Singapore nor stays there. It passes through Singapore's legal and regulatory system, which is precisely why the quality of that system matters for the reputation of the whole. The figures also include institutional money, such as pension funds and sovereign funds, so they overstate the share of private wealth.

The number of single family offices is a second indicator. In a written reply to Parliament on 5 August 2026, the Chairman of MAS stated that more than 2,000 single family offices received tax incentives under sections 13O and 13U of the Income Tax Act as of the end of December 2025. Most of the families come from the Asia-Pacific region, followed by Europe and the Americas.[8] The reply gave no figure

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for the assets of these family offices, so their aggregate wealth remains a matter of estimate. Chapter E.III examines the conditions of the incentives and the growth of the sector.

The limits of the haven

A modern safe haven differs in one important respect from its predecessors. It protects assets against political and economic risk at home, yet it no longer protects them against the tax authorities and courts of the owner's country of residence. Singapore exchanges financial account information automatically with the tax authorities of its treaty partners, provides mutual legal assistance in criminal matters and enforces foreign judgments under the conditions described in Part F. A family that moves its wealth to Singapore therefore gains stability and legal certainty. Concealment is no longer part of the offer. Chapter E.II traces how this change came about.

The distinction matters for the composition of the inflow. Families who value stability, a neutral jurisdiction and a well-supervised banking system find in Singapore what they seek. Persons who hope to hide assets from their creditors, their spouses or their governments find a less hospitable environment than the reputation of the city sometimes suggests. Banks and trust companies are required to know their customers and the sources of their wealth. The courts will set aside transfers designed to defeat creditors, and the authorities will freeze assets at the request of foreign states when the conditions of mutual legal assistance are met.

The result is a haven of a particular kind. It shelters wealth from expropriation, instability and arbitrary treatment, which are risks that law can address. The law of the owner's own country continues to reach that wealth. Singapore's officials have repeatedly presented this as a competitive advantage, on the argument that families with legitimate wealth prefer a centre whose other clients are also legitimate. The fourth and fifth sections of this chapter show how difficult it is to make that argument true in practice.

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Common misconception

The inflow of wealth into Singapore is often described as a flight of Chinese money. The official data show a broader picture. Much of the money managed in Singapore belongs to institutional investors. Three quarters of it comes from outside the country, while the families behind single family offices come from across the Asia-Pacific region, Europe and the Americas.

Notes

1. The People's Action Party has formed every government since the general election of 30 May 1959; see Chapter C.II for the verified sources. ↩
2. Wikipedia, "Economy of Singapore" (accessed November 2026): credit ratings AAA (S&P), Aaa (Moody's) and AAA (Fitch), each with a stable outlook; foreign reserves of US$426.247 billion (June 2026). ↩
3. Wikipedia, "Economy of Singapore" (accessed November 2026): foreign reserves "US$426.247 billion (June 2026)". ↩
4. The Hong Kong national security law entered into force on 30 June 2020. Reports in 2019 cited an estimate by Goldman Sachs that up to US$4 billion may have moved from Hong Kong to Singapore between June and August 2019, while MAS stated that it had not observed significant outflows from Hong Kong to Singapore. ↩
5. Press reports of 2022 and 2023 (e.g. *Financial Times*, *Bloomberg*, *The Straits Times*) on the movement of Chinese entrepreneurs and family offices to Singapore after the pandemic. ↩
6. Tan Nai Lun, "Singapore AUM up 10.1% at S$6.7t as MAS eyes competitiveness push", *The Business Times*, 29 July 2026, reporting the MAS Annual Report and the Singapore Asset Management Survey released on 28 July 2026: total AUM up 10.1 per cent to S$6.7 trillion at the end of 2025; net AUM inflow of S$376 billion, up 29 per cent on the year. ↩

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7. *The Business Times*, 29 July 2026, as above: "76 per cent of Singapore's funds came from outside the Republic, with 39 per cent from the Asia-Pacific region excluding Singapore"; about 88 per cent invested outside the city-state, 40 per cent in the Asia-Pacific excluding Singapore. ↩
8. Monetary Authority of Singapore, "Written reply on SFOs", reply by Gan Kim Yong, Deputy Prime Minister and Chairman of MAS, to a parliamentary question by Dr Neo Kok Beng, NMP, 5 August 2026 (mas.gov.sg, accessed November 2026): "more than 2,000 Single Family Offices (SFOs) receive tax incentives" as of end December 2025; the families are predominantly from the Asia Pacific region, followed by Europe and the Americas. ↩

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