Substance, local spending and investment requirements

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

The investment professionals

The headcount condition is the clearest expression of the demand for substance. A qualifying investment professional is a portfolio manager, research analyst or trader who is resident in Singapore for tax purposes, earns more than S$3,500 a month and spends more than half of their time on fund management. MAS has published a list of roles that do not qualify. These include financial planning and budgeting, cashflow monitoring, legal documentation and fund wiring, tax planning support, and the mere keying in or confirmation of orders.[1]

The professional must hold relevant experience or a relevant qualification. Experience may include personal investment experience, a concession to family members who have managed their own portfolios for years. Qualifications include degrees in accountancy, finance, economics or business and professional certifications such as the CFA. MAS may refuse to count a person who lacks the expected experience or qualifications. The same person cannot be counted towards

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more than one incentive, except where the other award is a section 13O, 13OA or 13U award or a Financial Sector Incentive award for fund management or at the standard tier.[2]

The requirement of a non-family professional serves two purposes. It ensures that at least one person in the office has professional expertise independent of the family. It also creates employment for the local market, which is the policy justification for the incentive. In practice, families often recruit an experienced banker or portfolio manager as chief investment officer and fill the second post with a family member of the younger generation.

Local spending

Each fund must incur a minimum amount of local spending in every basis period, tiered by the value of its designated investments at the end of that period. For new family office awards from 1 August 2026, the minimum is S$200,000 for funds below S$250 million, S$500,000 for funds from S$250 million to below S$2 billion, and S$1 million for funds of S$2 billion or more. For the two upper tiers, part of the requirement may be met through donations to Singapore registered charities, exempt charities or Institutions of Public Character. Grants to blended finance instruments distributed by licensed financial institutions in Singapore count at twice their amount, subject to a minimum of local business spending of S$300,000 and S$500,000 respectively.[3]

Local business spending means operating expenses paid to contracting parties in Singapore, such as salaries, management fees and other operating costs. The definition excludes financing costs and payments to foreign providers. A family office that outsources its accounting to its home country or pays its investment adviser abroad cannot count those costs. The tiers were revised in 2026 to reflect market norms. They were previously linked to thresholds of S$50 million and S$100 million.[4]

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The capital deployment requirement

The capital deployment requirement obliges each family office fund to invest at least the lower of 10 per cent of its designated investments or S$10 million in three categories. These are investments listed on exchanges approved by MAS, investments distributed by MAS-licensed financial institutions in Singapore, and non-listed Singapore companies with operating businesses and a substantive presence in Singapore. The requirement is first tested at the end of the basis period of the first full year of assessment after the award begins. For an award commencing on 1 August 2026 with a December year end, that date is 31 December 2027.[5]

Four kinds of investment count at twice their value: equities listed on approved exchanges, funds investing substantially in Singapore-listed equities, blended finance instruments distributed in Singapore and investments in non-listed Singapore operating companies. A fund qualifies as investing substantially in Singapore equities when at least 30 per cent of its assets are invested in equities listed on approved exchanges. The multiplier serves an industrial policy of steering family capital towards the local stock market and towards Singapore start-ups.[6]

For the third category, MAS expects an operating company with a substantive presence to be registered in Singapore and to have at least 25 per cent local shareholding, at least three employees in Singapore and an operating premise there. Companies trading or holding Singapore immovable property do not qualify, with an exception for property developers.[7] An indirect holding through intermediate investment companies counts if those companies have no business of their own.

The operating businesses of the family

Many Asian families own their wealth largely through operating groups. The schemes allow the fund to hold investments in such businesses without any limit, but these holdings do not count towards the minimum size. A family business may also form part of the fund structure, provided the fund is not used for the treasury operations of the group. A section 13U fund may not be owned by a Singapore

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operating company or corporate group. The rules draw a line between a family investment vehicle and a corporate treasury. The incentive is reserved for the former.[8]

Changes in the persons connected with the fund must be reported after the award. These include beneficial owners, shareholders, directors, key employees, investment professionals and new intermediate entities in the holding structure. MAS asks for full names, including in native characters, all present and past citizenships and the relationship to the beneficial owner. The licensing framework, by contrast, does not require updates on changes of shareholding. The tax award is the instrument through which MAS keeps track of who stands behind the incentivised offices.[9]

The Global Investor Programme and residence

Family offices are also a route to permanent residence. The Global Investor Programme of the Economic Development Board admits family office principals with at least five years of entrepreneurial, investment or management track record and net investible assets of at least S$200 million, excluding real estate. Under Option C, the applicant must establish a single family office in Singapore with at least S$200 million in assets under management. At least S$50 million must be transferred to Singapore and deployed in investments specified by the Board within twelve months of final approval of permanent residence.[10]

The renewal of the re-entry permit depends on further conditions. For a five-year renewal, the family office must employ at least five additional family office professionals, at least three of them Singapore citizens, and the S$50 million must remain deployed. The principal or the dependants must also have resided in Singapore for more than half of the time.[11] The residence route thus imposes requirements well above those of the tax schemes. It is designed for families who intend to live in Singapore. Chapter IV of Part J examines immigration policy for the financial workforce more generally.

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Notes

1. MAS, FDD Cir 05/2026, n. 18; MAS, FDD Cir 05/2026, Annex 13, para 1.1 (more than 50 per cent of time as rule of thumb); MAS, FDD Cir 05/2026, Annex 11, FAQ 10. ↩
2. MAS, FDD Cir 05/2026, Annex 11, FAQ 11; MAS, FDD Cir 05/2026, Annex 13, paras 1.3–1.4. ↩
3. MAS, FDD Cir 05/2026, para 4.5(a), Table C, and nn. 23–25; MAS, FDD Cir 05/2026, Annex 6B, para 1(c). ↩
4. MAS, FDD Cir 05/2026, n. 15; MAS, FDD Cir 05/2026, para 4.5(a); Grant Thornton Singapore, 22 April 2022, as above, on the earlier tiers of S$200,000 (below S$50 million), S$500,000 (S$50 million to S$100 million) and S$1 million (S$100 million or more); RSM Singapore, "MAS updates tax incentive schemes for single family office funds" (rsm.global, accessed November 2026), on the earlier tiers. ↩
5. MAS, FDD Cir 05/2026, para 4.5(b); MAS, FDD Cir 05/2026, n. 27. ↩
6. MAS, FDD Cir 05/2026, para 4.5(b); MAS, FDD Cir 05/2026, n. 30. ↩
7. MAS, FDD Cir 05/2026, Annex 11, FAQ 9. ↩
8. MAS, FDD Cir 05/2026, Annex 11, FAQ 6; MAS, FDD Cir 05/2026, Annex 11, FAQ 3. ↩
9. MAS, FDD Cir 05/2026, Annex 11, FAQ 2; MAS, FAQs on Licensing Exemption Framework for SFOs, 12 June 2026, FAQ 8. ↩
10. Economic Development Board, *Global Investor Programme Factsheet*, updated 5 May 2025, p. 3 (profile "Family Office Principals"); EDB, GIP Factsheet, updated 5 May 2025, p. 4 (Option C). ↩
11. EDB, GIP Factsheet, updated 5 May 2025, p. 9, and n. 10: the five professionals must hold advisory roles or board appointments in legal, tax, investment or philanthropy functions. ↩

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