Trusts, Holding Structures and the Variable Capital Company

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 financial centre that serves families and investors needs more than banks and asset managers. It needs vehicles in which wealth can be held, managed and passed on: trusts that separate ownership from benefit, companies that pool investments and hold participations, and fund structures that allow capital from many sources to be invested under one mandate. This chapter describes the vehicles that Singapore law offers for these purposes today. It begins with the law of trusts, turns to the licensed trust companies and the private trust companies that act as trustees, examines the Variable Capital Company introduced in 2020 for investment funds and closes with the holding company and the rules on tax treaties and economic substance that now govern its use.

The history of these instruments has been told in earlier chapters. Chapter V of Part D described how the government reformed trust law in 2004 and placed trust companies under the supervision of the Monetary Authority of Singapore (MAS) through the Trust Companies Act 2005, as part of a deliberate strategy to attract private wealth to the city. Chapter III of this Part examines the tax incentives for

© 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.

family offices, which frequently rely on the vehicles discussed here. The present chapter takes the law as it stands in September 2026 and asks what each vehicle can do, what it costs in regulatory terms and where its limits lie.

The Geneva volume offers a revealing counterpoint. Geneva administers a large number of trusts for international families, although Swiss law has no trust of its own and the Federal Council abandoned its plan to introduce one in 2023.[1] Swiss trustees therefore work with Jersey, English or New Zealand trusts, whose tax treatment in Switzerland depends on administrative practice. Singapore, by contrast, offers its own trust law, its own licensed trustees and its own fund vehicle, all supervised by a single regulator. The comparison at the end of this chapter asks what each centre gains and loses from its choice.

Essentials

Singapore trust law rests on English equity, the Trustees Act 1967 and the reforms of 2004, which introduced a fixed perpetuity period of 100 years, protection against foreign forced heirship rules and a limited power for settlors to reserve investment functions. Trust business requires a licence from MAS under the Trust Companies Act 2005, with a minimum capital of S$250,000 and at least two resident managers. A private trust company acting for one family is exempt from licensing on condition that it engages a licensed trust company for its anti-money laundering compliance. The Variable Capital Company, available since January 2020, is a corporate fund vehicle with segregated sub-funds and a register of members that is closed to the public: 1,406 had been incorporated or re-domiciled by the end of 2025. Singapore holding companies benefit from a 17 per cent corporate tax rate, tax-free dividends and agreements with around 100 jurisdictions, although since 2024 foreign disposal gains are taxed where the holding company lacks economic substance in Singapore.

Notes

1. Ressos, *Genève, place financière internationale*, Part E, Chapter V, section “Trusts et fondations : la fiscalité d’instruments étrangers”: consultation

© 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.

opened on 12 January 2022 on the basis of motion 18.3383, abandonment by the Federal Council on 15 September 2023, motion written off by Parliament on 12 December 2023 and 27 February 2024. ↩

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. 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