10 Shenton Way MAS Building Singapore 079117

Circular No.: FDD Cir 05/2026

Date: 31 July 2026

To: All Fund Managers, Trust Companies and Banks in Singapore

Dear Sir/Madam

TAX INCENTIVE SCHEMES FOR FUNDS

This circular provides details of the tax incentive schemes for funds under sections 13D, 13O, 13OA and 13U ("**S13D**", "**S13O**", "**S13OA**", and "**S13U**" respectively) of the Income Tax Act 1947 ("**ITA**"), including:

a) Removal of the condition to maintain annual minimum assets under management invested in Designated Investments ("**AUM in DI**")[1] for non-single family office ("**non-SFO**") funds[2] availing of the S13O, S13OA and S13U schemes;

b) Updates to the conditions for SFO funds[3] availing themselves of the S13O, S13OA and S13U schemes. These changes include giving SFOs more time to hire investment professionals ("**IPs**"), simplifying the minimum AUM in DI condition and the capital deployment requirement ("**CDR**"), and streamlining the local spending conditions; and

c) Removal of the 5% cap on investments in physical investment precious metals ("**IPMs**") in the DI list.

[1] With effect from 1 January 2025, for the purposes of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.
[2] Non-SFO funds refer to fund vehicles which are not SFO funds.
[3] SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

2 Background

Tax incentive schemes for funds

2.1. The S13D, S13O, S13OA and S13U schemes provide tax exemption to fund vehicles managed by Singapore-based fund managers[4], with the aim of creating a conducive operating environment for fund management activities in Singapore. Qualifying funds[5] enjoy tax exemption on specified income ("**SI**") derived from DI[6] subject to the fulfilment of the conditions of the schemes throughout the relevant period.

2.2. Qualifying funds that are managed or advised by Singapore-based fund managers enjoy Goods and Services Tax ("**GST**") remission[7] and withholding tax ("**WHT**") exemption[8].

2.3. **The tax exemption under the S13D, S13O, S13OA and S13U schemes is available for the life of the fund.** The S13D, S13O, S13OA and S13U schemes are also regularly reviewed to ensure that they remain relevant to the industry. Before the schemes expire on 31 December 2029, the Government will conduct a review of these schemes to assess their usefulness and relevance, and determine if the schemes will be extended and/or refined. All funds which had been awarded tax exemptions under the S13D, S13O, S13OA and S13U schemes as at 31 December 2029 will continue to enjoy the tax exemption for the life of the fund, provided they continue to fulfil the conditions of the respective schemes in each basis period[9].

2.4. Funds that are unable to fulfil any of the economic conditions in a basis period will not be able to avail themselves of the tax exemption for that basis period. If they are able to fulfil all the economic conditions in a subsequent basis period, they will be able to avail themselves of tax exemption for that subsequent basis period under the respective schemes. The Monetary Authority of Singapore ("**MAS**") reserves the right to revoke the award permanently for funds that fail to meet non-economic conditions (such as failure to provide supporting documents upon request), or when a serious offence has been committed.

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[4] "Fund manager" or "fund management company ("**FMC**")" means a company holding a capital markets services licence under the Securities and Futures Act 2001 for fund management or that is exempted under that Act from holding such a licence.
[5] Qualifying funds refer to funds that satisfy the conditions for tax exemption under S13D, S13O, S13OA or S13U of the ITA throughout the relevant period.
[6] Please refer to Annex 3 for details of SI and DI.
[7] Please refer to Annex 4 for details.
[8] Please refer to Annex 5 for details.
[9] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

2.5. The coverage of the schemes is as follows:

Scheme	Types of fund vehicle that are eligible
S13D	Prescribed persons (that are non-resident individuals, non-resident companies or trust entities)
S13O	Approved funds that are companies incorporated and resident in Singapore
S13OA[10]	Approved funds that are limited partnerships ("**LPs**") registered in Singapore
S13U	Any approved standalone fund vehicle or fund vehicles in one of the following approved structures[11]: a) master-feeder fund structure; b) master-feeder fund structure that holds investments via special purpose vehicles ("**SPVs**") ("**master-feeder fund-SPV**" structure); and c) master fund that holds investments via SPVs ("**master fund-SPV**" structure)

2.6. All tax incentive schemes for funds are available for both SFO funds and non-SFO funds.

3 S13O, S13OA and S13U schemes - Non-SFO funds

3.1. Non-SFO funds are funds typically managed by a licensed fund management company ("**FMC**"). Non-SFO funds admitted into the S13O, S13OA, and S13U schemes are required to either have capital contributed by third-party investor(s)[12], or have a bona fide intention to raise capital from third-party investor(s). If a non-SFO fund declares a bona fide intention to raise capital from third-party investor(s) at the point of application, and does not subsequently show satisfactory evidence of raising capital from third-party investor(s), MAS reserves the right to revoke the award.

3.2. Taking into account industry feedback and to ease compliance, the condition for non-SFO funds to maintain annual minimum AUM in DI under the S13O, S13OA and S13U schemes will be removed. The removal of the annual minimum AUM in DI condition will be **retroactive,** taking effect from 1 January 2025.

[10] With effect from 1 January 2025, S13OA of the ITA extended the S13O scheme to funds constituted as LPs registered under the Limited Partnerships Act 2008. The General Partner of the S13OA fund is responsible for the submission of the annual declaration regarding the fund's compliance with the conditions of the scheme. The LP fund, rather than the individual partners of the LP fund, is expected to meet the economic conditions as one entity (i.e. no "look-through").

[11] Please refer to paragraph 3 of Annex 7 for more details.

[12] "Third-party investors" are investors who are not a "related party" of the FMC. Related party, in relation to a person (A), as defined in section 2 of the ITA, means any person:

a) who directly or indirectly controls A;
b) who is being controlled directly or indirectly by A; or
c) who, together with A, is directly or indirectly under the control of a common person.

3.3. The subsequent paragraphs summarise the economic conditions for non-SFO funds for the various schemes introduced with effect from **1 January 2025**.

S13O and S13OA schemes

3.4. The key economic conditions for S13O and S13OA schemes are as follows with effect from 1 January 2025:

a) IP[13] condition. An S13O or S13OA non-SFO fund ("**S13O/OA non-SFO fund"**) must be managed or advised directly throughout each basis period relating to any Year of Assessment ("**YA**") by an FMC in Singapore, where the FMC must employ at least 2 qualifying IPs. As a transitional measure, the S13O/OA fund is only required to ensure that the FMC employs at least 2 qualifying IPs throughout each basis period with effect from YA 2028 (inclusive) to avail itself of the tax exemption in the corresponding YA.

b) AUM in DI condition. An S13O/OA non-SFO fund with award commencing on or after 1 January 2025 must have at least S$5 million in AUM in DI **at the point of application** ("**S$5m AUM in DI entry condition**"). An S13O/OA non-SFO fund that does not meet the S$5m AUM in DI entry condition is granted a grace period to meet the condition; specifically, it is permitted to meet the S$5m AUM in DI entry condition by the end of the basis period of the third YA of the award, failing which the award will be revoked with effect from the award commencement date[14]. As mentioned in paragraph 3.2, there is now no annual minimum AUM in DI condition to qualify for the tax exemption in subsequent YAs.

c) Business spending condition. An S13O/OA non-SFO fund must meet a minimum local business spending ("**LBS**")[15] condition determined based on its AUM in DI, per Table A, in each basis period relating to any YA. As a transitional measure, an S13O/OA non-SFO fund is only required to meet:

i) the minimum total business spending ("**TBS**") [16] condition of S$200,000 in each basis period relating to YAs prior to YA2028; and

[13] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management.

[14] For example, a fund with financial year-end of 31 December might commence its award on 1 July 2027, with the 1st, 2nd and 3rd basis periods of the award ending on 31 December 2027, 31 December 2028 and 31 December 2029 respectively. If the fund has met the S$5m AUM in DI entry condition by 31 December 2027 (i.e. before the third basis period of the award), it is not required to track and meet the S$5m AUM in DI entry condition in 2028 and 2029. If the fund fails to meet the S$5m AUM in DI entry condition by 31 December 2029, its S13O/OA award will be revoked retrospectively from 1 July 2027.

[15] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.

[16] TBS refers to operating expenses recognised based on accounting principles (regardless of contracting parties).

ii) the tiered minimum LBS condition in each basis period with effect from YA 2028 (inclusive).

to avail itself of the tax exemption in the corresponding YA.

Table A: Tiered minimum LBS for S13O/OA non-SFO funds

AUM in DI as at the end of the basis period (S$)	Minimum LBS for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	300,000
AUM in DI ≥ 2 billion	500,000

3.5. Please see Annex 6A for a summary of the economic conditions specific to non-SFO funds for the S13O and S13OA schemes.

S13U scheme

3.6. The key economic conditions for the S13U scheme are as follows with effect from 1 January 2025:

a) IP condition. An S13U non-SFO fund or structure (collectively referred to as "**S13U non-SFO fund**") must be managed or advised directly throughout each basis period relating to any YA by an FMC in Singapore, where the FMC must employ at least 3 qualifying IPs.

b) AUM in DI condition. An S13U non-SFO fund must have a minimum AUM in DI of S$50 million at the point of application. As mentioned in paragraph 3.2, there is now no annual minimum AUM in DI condition to qualify for the tax exemption in subsequent YAs.

c) Business spending condition. An S13U non-SFO fund must meet a minimum LBS condition determined based on its AUM in DI, per Table B, in each basis period relating to any YA. As a transitional measure, an S13U non-SFO fund with award commencing prior to 1 January 2025 is only required to meet:

i) the minimum LBS condition of S$200,000 in each basis period relating to YAs prior to YA 2028; and

ii) the tiered minimum LBS condition (in Table B) in each basis period with effect from YA 2028 (inclusive),

to avail itself of the tax exemption in the corresponding YA.

Table B: Tiered minimum LBS for S13U non-SFO funds

AUM in DI as at the end of the basis period (S$)	Minimum LBS for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	300,000
AUM in DI ≥ 2 billion	500,000

3.7. Please see Annex 7A for a summary of the economic conditions specific to non-SFO funds for the S13U scheme.

<u>"Closed-end fund" treatment as an option for non-SFO S13O, S13OA or S13U funds</u>

3.8. Closed-end funds are typically funds with fixed lifespans, commonly 10 years, and have designated fund raising and redemption period(s). The LBS will decrease over the fund's lifespan as investments are divested, typically starting after the fifth year.

3.9. In recognition that closed-end funds may have declining LBS in the later part of their fixed lifespans, S13O, S13OA or S13U non-SFO funds with awards commencing on or after 1 January 2025 may voluntarily opt into a "closed-end fund" treatment that provides for a waiver of the LBS condition after a specified period. Specifically, the annual LBS condition will have to be met on a cumulative basis up to the tenth incentive year (inclusive) and will be waived from the eleventh incentive year onwards. For example, an S13O, S13OA or S13U fund under the closed-end fund treatment that must fulfil S$200,000 of the tiered minimum LBS condition annually will be required to incur a minimum cumulative LBS of S$200,000, S$400,000, S$600,000, …, S$2,000,000 by the 1st, 2nd, 3rd…, 10th incentive year respectively. If the said fund incurs S$600,000 LBS in the first incentive year, it would be considered to have met the cumulative LBS condition in the first 3 incentive years, even if it incurs nil LBS in the second and third incentive years.

3.10. The fund is required to have its S13O, S13OA or S13U award revoked with effect from the end of its divestment phase, or the day immediately after its 20th incentive year, whichever is earlier, in line with the premise that the fund has a fixed lifespan.

3.11. The election by an S13O, S13OA or S13U fund to opt into the closed-end fund treatment is irrevocable. Any fund with an existing S13O, S13OA, or S13U award (without the closed-end fund treatment) may opt into the closed-end fund treatment, and this election would entail the revocation of the existing award and the application for a new award.

3.12. Please see Annex 8 for details on the closed-end fund treatment for S13O, S13OA and S13U funds, and Annex 8A for FAQs on the closed-end fund treatment.

4 S13O, S13OA, S13U schemes - SFO funds

4.1 An SFO fund refers to a fund vehicle which consists of assets primarily originated from member(s) of the same family, and is managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001[17]. There will be a revision of various conditions for SFO funds under the S13O, S13OA and S13U schemes.

4.2 **New S13O, S13OA or S13U awards for SFO funds that are approved on or after 1 August 2026** will be subject to the economic conditions and banking account condition described in paragraphs 4.3 to 4.5, unless otherwise notified by MAS in writing.

S13O and S13OA schemes – IP and AUM in DI conditions

4.3 The IP and AUM in DI conditions for new S13O and S13OA awards for SFO funds approved on or after 1 August 2026 are as follows:

a) IP[18] condition. An S13O or S13OA SFO fund ("**S13O/OA SFO fund**") must be managed or advised directly throughout each basis period relating to any YA by an SFO in Singapore, where the SFO employs at least 2 qualifying IPs (of whom at least 1 qualifying IP is not a family member of the beneficial owner(s) of the fund ("**non-family member**")). To give SFOs more time to hire their initial IPs, MAS will permit the SFO fund to apply for the S13O/OA scheme with the SFO employing only 1 qualifying IP (who may be a family member or otherwise). The SFO fund must ensure that the SFO employs at least 2 qualifying IPs (of whom at least 1 qualifying IP is a non-family member) by the end of the basis period of the first YA of the S13O/OA award, failing which the award will be revoked with effect from the award commencement date[19]. For subsequent YAs, the SFO must employ at least 2 qualifying IPs throughout each basis period for the SFO fund to avail itself of the tax exemption in the corresponding YA.

b) AUM in DI condition. An S13O/OA SFO fund must have at least S$20 million[20] of AUM in DI at the point of application, and at the end of each basis

[17] Pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[18] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management. For SFO funds, please also refer to FAQ 11 of Annex 11 for details on the relevant experiences and academic qualifications expected of qualifying IPs.

[19] For example, if the SFO fund's S13O/OA award commenced on 1 August 2026 and its financial year-end is 31 December, the second qualifying IP must be employed by the SFO by 31 December 2026, failing which the SFO fund's award will be revoked with effect from 1 August 2026.

[20] The SFO fund's investment (whether in the form of equity, debt or other financing arrangements) in the operating businesses of the family cannot be counted towards meeting the minimum AUM in DI condition. However, such investment shall count towards the SFO fund's AUM in DI for the purposes of all other conditions, if the investment qualifies as DI.

period to avail itself of the tax exemption for the corresponding YA. To reduce the compliance burden associated with continuous AUM tracking, the SFO fund will only be required to report that it meets the minimum AUM in DI threshold at the point of application and at the end of each basis period.

S13U scheme – IP and AUM in DI conditions

4.4 The IP and AUM in DI conditions for new S13U awards for SFO funds approved on or after 1 August 2026 are as follows:

a) IP condition. An S13U SFO fund or structure (collectively referred to as "**S13U SFO fund**") must be managed or advised directly throughout each basis period relating to any YA by an SFO in Singapore, where the SFO employs at least 3 qualifying IPs (of whom at least 1 qualifying IP is a non-family member). To give SFOs more time to hire their initial IPs, MAS will permit the SFO fund to apply for the S13U scheme with the SFO employing only 2 qualifying IPs (who may be family members or otherwise). The SFO fund must ensure that the SFO employs at least 3 qualifying IPs (of whom at least 1 qualifying IP is a non-family member) by the end of the basis period of the first YA of the S13U award, failing which the award will be revoked with effect from the award commencement date[21]. For subsequent YAs, the SFO must employ at least 3 qualifying IPs throughout each basis period for the SFO fund to avail itself of the tax exemption in the corresponding YA.

b) AUM in DI condition. An S13U SFO fund must have at least S$50 million[22] of AUM in DI at the point of application, and at the end of each basis period to avail itself of the tax exemption for the corresponding YA. To reduce the compliance burden associated with continuous AUM tracking, the SFO fund will only be required to report that it meets the minimum AUM in DI threshold at the point of application and at the end of each basis period.

S13O, S13OA and S13U schemes – Local spending condition, CDR and banking account condition

4.5 The other conditions for new S13O, S13OA and S13U awards for SFO funds approved on or after 1 August 2026 are as follows:

a) Local spending condition. An S13O/OA or S13U SFO fund must meet a minimum local spending condition determined based on its AUM in DI, in each basis period to avail itself of the tax exemption for the corresponding YA. The tiered minimum local spending condition is revised, per Table C, to take into

[21] For example, if the SFO fund's S13U award commenced on 1 August 2026 and its financial year-end is 31 December, the third qualifying IP must be employed by the SFO by 31 December 2026, failing which the SFO fund's award will be revoked with effect from 1 August 2026.

[22] The SFO fund's investment (whether in the form of equity, debt or other financing arrangements) in the operating businesses of the family cannot be counted towards meeting the minimum AUM in DI condition. However, such investment shall count towards the SFO fund's AUM in DI for the purposes of all other conditions, if the investment qualifies as DI.

account market norms and encourage SFO funds to continue growing their assets in Singapore.

Table C: Tiered minimum local spending for S13O/OA and S13U SFO funds

AUM in DI as at the end of the basis period (S$)	Minimum local spending for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	500,000
AUM in DI ≥ 2 billion	1,000,000

An S13O/OA or S13U SFO fund may partially meet the minimum local spending condition via eligible donations[23] and grants[24] to blended finance[25] instruments distributed by licensed financial institutions in Singapore, subject to a minimum amount of LBS. Please refer to Annexes 6B (for the S13O or S13OA scheme) and 7B (for the S13U scheme) for details.

b) CDR[26]. An S13O/OA or S13U SFO fund is required to meet the CDR, by investing in specified investments, at the end of the basis period relating to the first full YA[27] after the commencement date of the S13O/OA or S13U award and thereafter at the end of each subsequent basis period to avail itself of the tax exemption for the corresponding YA.

[23] Eligible donations by the S13O/OA/U SFO fund are limited to donations to Singapore Registered Charities, Exempt Charities, or Institutions of Public Character, and exclude Grantmakers under MCCY's Grantmaker Scheme. Donation receipts have to be submitted to MAS upon request if the fund is selected for review.

[24] Grants refer to contributions with no return of principal and income. For the purposes of assessing the local spending condition, the amount of eligible grants will be recognised at twice the actual amount. For example, eligible grants of S$100 will be recognised as S$200 of local spending.

[25] Blended finance refers to the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.

[26] In line with the removal of additional minimum AUM in DI and LBS conditions in respect of an SPV or trading feeder fund for S13U structures, an S13U SFO fund structure is required to meet the CDR as though the entire structure is a single fund entity with effect from 1 January 2025. Accordingly, an S13U SFO fund structure will be regarded as having met the CDR for a YA if the approved entities within the structure collectively invest at least the lower of 10% of the structure's total AUM in DI or S$10 million in the specified investments, at the end of the relevant basis period.

[27] The basis period relating to a full YA generally refers to a complete 12-month period, from the first day of the financial year to the last day of the financial year (both dates inclusive). For example, if the SFO fund's award commences on 1 August 2026 and its financial year-end is 31 December, the SFO fund must meet the CDR by 31 December 2027, which is the end of the basis period relating to the first full YA (i.e. 1 January 2027 to 31 December 2027) following the commencement of the award.

The list of options for specified investments is streamlined to 3 options. Specifically, an S13O/OA or S13U SFO fund shall invest at least the lower of (i) 10% of its AUM in DI[28]; or (ii) S$10 million, in DI which are:

i) Option 1: Listed on Approved Exchanges[29];

ii) Option 2: Distributed (e.g., sold, marketed) by MAS-licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges; and/or

iii) Option 3: Non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore,

subject to an enhanced recognition where investments into any of the following will be counted at twice their value (i.e. with a 2x multiplier applied) when computing if the CDR has been met:

i) Equities listed on Approved Exchanges;
ii) Funds investing substantially in Singapore-listed equities[30];
iii) Blended finance instruments distributed by licensed financial institutions in Singapore; and/or
iv) Investments in non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore.

c) Banking account condition[31]. An S13O/OA or S13U SFO fund is required to have a private banking account with an MAS-licensed financial institution at the point of application and throughout each basis period relating to any YA. MAS reserves the right to revoke the award if the banking account condition is breached.

[28] The following method should be used when computing if the SFO fund's investments in CDR-eligible investments is at least 10% of its AUM in DI:

$$\frac{\text{Capital deployed}_{\text{end of basis period}}}{\text{AUM in DI}_{\text{end of basis period}}} \geq 10\%$$

[29] Exchanges approved by MAS pursuant to section 9 of the Securities and Futures Act 2001. Please refer to the Financial Institutions Directory.

[30] Funds investing substantially in Singapore-listed equities refer to exchange-traded funds / non-listed equity funds with at least 30% of its total AUM invested in equities listed on Approved Exchanges, including, but not limited to, approved funds under the Financial Sector Incentive – Fund Management (Singapore Equities) granted to fund managers managing such approved funds.

[31] For S13U SFO fund structures, the banking account condition is regarded to be met, if at least one of the approved entities within the structure owns a private banking account with an MAS-licensed financial institution at the point of application and throughout each basis period.

4.6 **SFO funds with existing S13O, S13OA or S13U awards subject to pre-18Apr22 conditions[32], 18Apr22 conditions[33] and 5Jul23 conditions[34] will be subject to a separate set of conditions with effect from the YA where the basis period ends on or after 1 August 2026**, unless otherwise notified by MAS in writing. Please refer to Annexes 6B (for S13O/13OA awards) and 7B (for S13U awards) for details of the conditions applicable to new awards and existing awards for SFO funds.

5 S13O, S13OA, S13U schemes – Non-SFO funds and SFO funds

S13O and S13OA schemes

5.1 The following conditions of the S13O and S13OA schemes have also been updated for **all** S13O/OA funds, as announced in FDD Cir 10/2024:

a) Removal of the condition that an S13O/OA fund must be a newly set-up company with effect from 1 January 2025. A fund that was previously carrying on a business in Singapore and already has investments may apply for the S13O/OA scheme. For the avoidance of doubt, all investments acquired by S13O/OA funds, whether before or after receiving the approval of an S13O/OA application, are to be acquired on market terms and conditions.

b) Waiver of the 30/50 rule[35] for investors of S13O/OA funds, which are trusts and unit trusts incentivised under the S13D scheme ("**S13D trusts and unit trusts**") with effect from YA 2025. This ensures that S13D trusts and unit trusts are not inadvertently discouraged from investing in an S13O/OA fund, and are treated as qualifying investors of S13O/OA funds.

c) Removal of the condition that the S13O/OA fund may only serve the investment strategy that has been approved by MAS with effect from 1 January 2025[36]. Recognising that changes in investment strategy for bona fide commercial reasons are common, this condition has been removed to provide certainty for S13O/OA funds. S13O/OA funds should continue to update MAS of any change in investment strategy for information.

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[32] Existing awards subject to "pre-18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS before 18 April 2022.

[33] Existing awards subject to "18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS on or after 18 April 2022 but before 5 July 2023.

[34] Existing awards subject to "5Jul23 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/OA/U Eligibility Form; or (iii) a formal application form, to MAS on or after 5 July 2023, and whose award was approved before 1 August 2026.

[35] If a fund has less than 10 investors, a resident non-individual investor may not own more than 30% of the fund. If a fund has 10 or more investors, a resident non-individual investor may not own more than 50% of the fund. If this investment limit is breached, a financial penalty will be imposed on income derived by the resident non-individual investor from the S13O/OA fund.

[36] For the avoidance of doubt, for funds whose S13O award commenced prior to 1 January 2025, the updated conditions will apply for basis periods corresponding to YA 2026 and subsequent YAs.

5.2 Please see Annex 6 for a summary of the general parameters and conditions of the S13O and S13OA schemes. The 30/50 rule would apply, as the case may be, to non-qualifying resident non-individual investors (or referred to as "**non-qualifying investors**").

S13U scheme

5.3 The following conditions of the S13U scheme have also been updated with effect from 1 January 2025 for all S13U funds[37], as announced in FDD Cir 10/2024:

a) Removal of additional minimum AUM in DI and LBS conditions in respect of an SPV or trading feeder fund for S13U structures. In recognition that there may not always be a strong correlation between a fund's AUM or LBS and its number of SPVs or trading feeder funds, there is no longer a requirement for the S13U structure to meet additional AUM in DI and LBS conditions for each additional SPV or trading feeder fund. This means that any S13U structure will only need to meet the economic conditions as though the structure is a single standalone fund entity, regardless of the number of trading feeder funds or SPVs in the structure[38].

b) Removal of the condition that the S13U fund vehicle may only serve the investment purpose that has been approved by MAS. Similar to S13O/OA funds, this condition has been removed. S13U funds should continue to update MAS of any change in investment strategy for information.

5.4 Please see Annex 7 for a summary of the general parameters and conditions of the S13U scheme.

[37] For the avoidance of doubt, for funds whose S13U award commenced prior to 1 January 2025, the updated conditions will apply for basis periods corresponding to YA 2026 and subsequent YAs.

[38] For example, an S13U master fund-SPV structure, comprising 1 master fund and 2 SPVs and having AUM in DI of S$100 million, is required to collectively as a structure incur a minimum LBS of S$200,000 in a basis period, in order for all entities in the master fund-SPV structure to avail themselves of the tax exemption in the corresponding YA (similar to a single standalone fund). If an S13U structure wishes to add a new SPV (i.e. increasing to 3 SPVs in the current example), it is required to make an application to MAS and collectively as a structure meet the minimum AUM in DI condition of S$50 million at the point of application. Thereafter, the S13U structure (comprising 1 master fund and 3 SPVs in the example) will continue to be subject to the same economic conditions as a single standalone fund. There is no requirement for the S13U structure to meet the minimum AUM in DI condition of S$50 million when applying to remove an existing SPV from the S13U structure.

6 S13D scheme

6.1 The S13D scheme grants tax exemption on SI in respect of any DI derived by prescribed persons (that are non-resident individuals, non-resident companies or trust entities) subject to conditions. The 30/50 rule will apply, as the case may be[39], to non-qualifying resident non-individual investors.

6.2 The S13D scheme remains a self-administered scheme.

6.3 The following conditions have also been updated, as announced in FDD Cir 10/2024:

a) Revision of economic conditions for the S13D scheme for both SFO and non-SFO funds. The minimum economic conditions for S13D funds have been revised to ensure that S13D funds have a minimum level of economic substance in Singapore. Specifically, an S13D fund must be managed or advised directly throughout each basis period relating to any YA by an FMC in Singapore, where the FMC must employ at least 1 qualifying IP[40] with effect from YA 2028 (inclusive). The condition for the FMC to employ at least 1 qualifying IP will be assessed by the S13D fund for purposes of availing of the tax exemption under the S13D scheme.

b) Waiver of the 30/50 rule for investors of S13D funds which are S13D trusts or unit trusts with effect from YA 2025. This ensures that S13D trusts and unit trusts are not inadvertently discouraged from investing in another S13D fund, and are treated as qualifying investors of S13D funds.

6.4 Please see Annex 9 for a summary of the parameters and conditions of the S13D scheme and Annex 10 for details to determine the penalty for non-qualifying investors under the S13D, S13O and S13OA schemes. The format for declaration to the Comptroller of Income Tax ("**CIT**") in respect of non-qualifying investors may be found in Annex 2.

7 Designated Investments

7.1 To ensure that the tax incentive schemes for funds remain relevant to the industry, the DI and SI lists are regularly reviewed to include new types of investments made by funds.

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[39] If a fund has less than 10 investors, a resident non-individual investor may not own more than 30% of the fund. If a fund has 10 or more investors, a resident non-individual investor may not own more than 50% of the fund. If this investment limit is breached, a financial penalty will be imposed on income derived by the resident non-individual investor from the S13D fund.

[40] IPs, for the purposes of the S13D scheme, refer to portfolio managers, research analysts and traders who are Singapore tax residents and engaging substantially in the qualifying activity of fund management. For ease of compliance, there is no specific salary requirement for IPs with respect to S13D funds (unlike the definition of IP for the S13O, S13OA and S13U schemes).

7.2 Currently, investments in physical IPMs qualify as DI, if they do not exceed 5% of the fund's total investment portfolio. To allow funds increased flexibility in portfolio diversification, and to support greater capital deployment into physical IPMs in Singapore, the 5% cap on investments in physical IPMs will be removed with effect from 1 August 2026.

7.3 Please see Annex 3 for the updated DI and SI lists.

8 Frequently Asked Questions ("FAQs") and contact

8.1 Please refer to Annex 11 for FAQs specific to SFO funds, Annex 12 for general FAQs on the S13D, S13O, S13OA and S13U schemes and Annex 13 for the standard terms and conditions for the S13O, S13OA and S13U schemes.

8.2 Unless otherwise notified by MAS in writing, with effect from 1 August 2026, the standard terms and conditions in Annex 13 shall apply to all funds approved under the S13O, S13OA or S13U scheme with new or existing awards. For the avoidance of doubt, for funds that have an award under one of these schemes where the letter of award:

a) was issued prior to 1 August 2026; and
b) contains terms and conditions that are different from the standard terms and conditions in Annex 13,

unless otherwise notified by MAS in writing, the standard terms and conditions in Annex 13 will be in addition to, and to the extent of any inconsistency will supersede, the terms and conditions set out in the letter of award.

8.3 If you have any questions regarding the circular, please submit a feedback form on MAS' website at https://www.mas.gov.sg/feedback-form/.

Yours faithfully,

(Sent through MAS-Tx)

FONG KOK CHOY
SPECIALIST LEADER (TAX)
FINANCIAL CENTRE DEVELOPMENT DEPARTMENT

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ANNEX 1

Declaration template to the Comptroller of Income Tax ("CIT") on withholding tax ("WHT") exemption

DECLARATION TEMPLATE
[To be printed on Fund letterhead]
[Date]
The Comptroller of Income Tax

LETTER OF DECLARATION
<NAME OF FUND>

1. I, _____, of _____ ("the Fund^"),
Name of Authorised Signatory *Name of fund*

hereby declare that –

a. the Fund is a/an* prescribed trust fund / prescribed fund / approved company / approved limited partnership / approved person / approved master fund / approved feeder fund / approved eligible SPV / prescribed sovereign fund entity / approved foreign government-owned entity / prescribed international organisation / approved international organisation* for the purposes of Section 13D / 13O / 13OA / 13U / 13V* of the Income Tax Act 1947 ("ITA");

b. to the best of my understanding and belief, the Fund will be able to satisfy all the requirements under Section 13D / 13O / 13OA / 13U / 13V* of the ITA for the Fund's financial year ended _____ ("the initial incentive year").

2. I understand that where the Fund fails to satisfy the requirements of Section 13D / 13O / 13OA / 13U / 13V* of the ITA for the initial incentive year, the Fund shall be liable in full for any sums due to the Comptroller of Income Tax under Sections 45 and 45A of the ITA, in respect of any payment of interest or of income referred to in Section 12(6) of the ITA by the Fund to another person not known to the Fund to be resident in Singapore for that initial incentive year.

_____
Signature
[Name of authorised signatory]
[Designation]

*Please delete accordingly
^ "the Fund" refers to the fund entity incentivised under the respective fund schemes

ANNEX 2

Declaration template to the Comptroller of Income Tax ("CIT") on list of non-qualifying investors

DECLARATION TEMPLATE
[To be printed on company letterhead]
[Date]
The Comptroller of Income Tax

LETTER OF DECLARATION
<NAME OF FUND>

DECLARATION IN RESPECT OF <NAME OF QUALIFYING FUND><TAX REF. NO.> FOR THE PURPOSES OF THE TAX EXEMPTION SCHEME FOR INCOME OF PRESCRIBED PERSONS / APPROVED COMPANIES / PARTNERS OF APPROVED LIMITED PARTNERSHIPS* MANAGED BY FUND MANAGER IN SINGAPORE

1. Unless otherwise stated, terms used in this Declaration shall have the same meanings as in the relevant section of the Income Tax Act 1947 ("ITA") and any subsidiary legislation made thereupon pertaining to the tax exemption scheme for income of prescribed persons managed by fund manager in Singapore under section 13D of the ITA, the tax exemption scheme for income of approved companies managed by fund manager in Singapore under section 13O of the ITA or tax exemption scheme for income of partners of approved limited partnerships managed by fund manager in Singapore under section 13OA of the ITA.

2. For the abovementioned qualifying fund's financial year ended^_____, we confirm that there are _____ non-qualifying investor(s) in the company / trust fund / limited partnership*.

3. The details of each of these investors are provided as follows:

(a) Name of the investor

(b) Tax reference number of the investor

(c) Accounting profit (as per the audited or certified financial statement) of the abovementioned qualifying fund for financial year ended^_____

(d) Percentage of the total value of all issued securities of the qualifying fund (being a company), the total value of the qualifying fund (being a trust fund), or the total value of all equity interest in the qualifying fund (being a limited

partnership) as the case may be, which are beneficially owned at the last day of the qualifying fund's financial year ended^_____ by the investor.

4. We confirm that this declaration is made in good faith at the date of this Declaration.

_____
Signature
[Name of authorised signatory]
[Designation]

*Please delete accordingly

^ For a section 13D, 13O or 13OA fund which relinquishes its status in the midst of a financial year, this would refer to the last day on which the fund enjoys the section 13D, 13O or 13OA scheme.

ANNEX 3

Designated Investments and Specified Income

The following is the list of **Designated Investments** on or after 1 August 2026[41]:

(a) Stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(b) Debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities [42] issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(c) Units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other sub-paragraphs of the list of designated investments) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(d) Futures contracts held in any futures exchanges;

(e) Immovable property situated outside Singapore;

(f) Deposits held with any financial institution;

(g) Foreign exchange transactions;

(h) Interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives[43] relating to any designated investment specified in this list or financial index;

(i) Units in any unit trust, except:

    i. A unit trust that invests in Singapore immovable properties;

[41] This list of designated investment is provided for ease of reference.
[42] "Non-qualifying debt securities" will refer to debt securities that do not enjoy the "Qualifying Debt Securities" tax status as defined under section 13(16) of the Income Tax Act 1947 ("**ITA**").
[43] To clarify, "financial derivatives" within the list of designated investments should only refer to "financial derivatives relating to any designated investment or financial index".

ii. A unit trust that holds stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and

iii. A unit trust that grants loans that are excluded under (j);

(j) Loans[44], except:

i. Loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

ii. Loans to finance/ re-finance the acquisition of Singapore immovable properties; or

iii. Loans that are used to acquire stocks, shares, debt or any other securities, that are issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(k) Commodity derivatives[45];

(l) Physical commodities other than physical investment precious metals mentioned in (z), if:

i. The trading of those physical commodities by the prescribed person, approved company or approved person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and

ii. The trade volume of those physical commodities traded by the prescribed person, approved company or approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;

(m) Units in a registered business trust;

[44] This includes secondary loans, credit facilities and advances.
[45] Commodity derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

(n) Emission derivatives[46] and emission allowances;

(o) Liquidation claims;

(p) Structured products[47];

(q) Islamic financial products[48] and investments in prescribed Islamic financing arrangements under section 34B of the Income Tax Act ("**ITA**") that are commercial equivalents of any of the other designated investments specified in this list[49];

(r) Private trusts that invest wholly in designated investments specified in this list;

(s) Freight derivatives[50];

(t) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore[51];

(u) Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;

(v) Bankers' acceptances issued by financial institutions;

(w) Accounts receivables and letters of credits;

(x) Interests in Tokumei Kumiai ("**TK**")[52] and Tokutei Mokuteki Kaisha ("**TMK**")[53];

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[46] Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.
[47] As per the definition of "structured product" under section 13(16) of the ITA.
[48] Recognised by a Shariah council, whether in Singapore or overseas.
[49] The former is included as a designated investment with effect from 19 February 2019.
[50] Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.
[51] The allocation of profits from such partnerships to the fund vehicle will be considered as specified income. However, the fund vehicle would not be entitled to a refund of any taxes that was imposed on the partnership profits. This would relate to the publicly-traded partnerships' profits which are derived or deemed to be derived from Singapore, and examples of such income are payments that fall within section 12(6) and (7) of the ITA.
[52] A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/loss of a specified business conducted by the TK operator (the TK business).
[53] A TMK is generally a type of corporation formed under Japanese law. It is a structure/entity used for securitisation purposes in Japan.

(y) Non-publicly-traded partnerships that:

i. Do not carry on a trade, business, profession or vocation in Singapore; and

ii. Invest wholly in designated investments specified in this list;

(z) Physical investment precious metals[54]; and

(za) Equity interest[55] in real estate investment funds constituted in any form, including real estate investment funds that are not legal entities[56] (not already covered in other sub-paragraphs of the list of designated investments), other than real estate investment funds that —

i. invest in Singapore immovable properties; or

ii. hold stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development).

Any income or gains derived on or after 1 August 2026 from designated investments specified above will be regarded as **Specified Income** except for the following:

(a) Distributions made by a trustee of a real estate investment trust[57] that is listed on the Singapore Exchange;

(b) Distributions made by a trustee of a trust who is a resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under sections 13D, 13F, 13L or 13U of the ITA;

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[54] With effect from 1 August 2026. Prior to 1 August 2026, investments in physical investment precious metals are only designated investments if the investment in those physical investment precious metals does not exceed 5% of the total investment portfolio, calculated in accordance with the formula A ≤ 5% of B, where –

i. A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and

ii. B is the value of the total investment portfolio as at the last day of the basis period.

[55] "Equity interest" in a real estate fund refers to a right or interest to a share in the profits of the fund, and may include units, shares, or securities in the fund.

[56] Such real estate investment funds were not mentioned in Annex 1 of FDD Cir 05/2022 and are now included herein for clarity.

[57] As defined in section 43(10) of the ITA, which is a trust constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act 2001 and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

(c) Income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership and/or non-publicly traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and

(d) Income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

ANNEX 4

Goods and Services Tax ("GST") remission for qualifying funds

1. GST remission will continue to be available for a fund that satisfies the conditions for income tax concession as a section 13D, 13F, 13O (including the new section 13OA sub-scheme) or 13U fund or a designated unit trust or a unit trust included under the Central Provident Fund Investment Scheme ("**CPFIS**"), as at the last day of its preceding financial year.

2. Under the GST remission, funds that meet all the qualifying conditions are able to recover GST incurred on all expenses for the purpose of the fund's investment activities, with the exception of disallowed expenses under Regulations 26 and 27 of the GST (General) Regulations, till 31 December 2029[58]. Disallowed expenses under Regulations 26 and 27 include club subscription fees, medical insurance and expenses not covered under Work Injury Compensation Act or Industrial Relations Act, family benefits, motor car expenses and expenses involving betting, sweepstakes, lotteries, fruit machines or games of chance.

3. The fund must be managed or advised by a fund manager in Singapore. In the case of section 13F funds and unit trusts included under CPFIS (where it is not mandatory to engage fund managers to enjoy the income tax concessions), the GST remission will be accorded only if they are managed or advised by a fund manager in Singapore. Otherwise the GST incurred can only be recovered based on the GST recovery rules under the Goods and Services Tax Act 1993 if the funds are GST registered.

4. The GST recovery is based on a fixed recovery rate, without the funds having to register for GST. While this remission does not require GST registration, a prescribed fund that makes taxable supplies exceeding or expecting to exceed S$1 million annually is still liable to register for GST. Furthermore, from 1 January 2020, GST is levied on business-to-business imported services by way of reverse charge. From 1 January 2023, the application of reverse charge is extended to the purchase of imported low-value goods ("**LVG**"). A prescribed fund is hence liable for GST registration under the reverse charge regime if the total value of imported services and LVG exceeds or is expected to exceed S$1 million in the relevant 12-month period and is not entitled to full input tax credit. For more information on reverse charge, please refer to the e-Tax Guide "GST: Reverse Charge". Once GST-registered, the fund should claim GST incurred on its expenses based on normal input tax rules. As a concession, the prescribed fund may opt to claim GST incurred based on the same recovery rate as prescribed funds under the GST remission.

5. The fixed recovery rate will be determined annually based on industry statistics and published by MAS in the last quarter of each year. The fixed recovery rate will be applicable throughout the next calendar year.

[58] Exception: The end date would be 31 December 2027 for section 13F funds.

ANNEX 5

Withholding tax ("WHT") exemption for qualifying funds

1. WHT exemption will continue to apply to interest and other qualifying payments [59] made to non-residents (excluding a permanent establishment in Singapore such as a Singapore branch of a foreign company) by funds that have satisfied the conditions for the income tax incentives under sections 13D, 13O, 13OA, 13U or 13V of the Income Tax Act 1947 ("**ITA**"), for the purpose of the funds' trade or business.

2. This will not include interest payments made with the intention of avoiding any tax in Singapore or interest payments that relate to the capital structure of the fund. Capital structure refers to amounts that are classified as equity under generally accepted accounting principles.

3. To qualify for the WHT exemption in the current financial year ("**FY**"), the fund must satisfy the said conditions for the previous Year of Assessment ("**YA**").

Example: Fund has a 30 June FY End Eligible for income tax incentives		Eligible for WHT exemption on interest payments made during the FY ended	
YA 2023	Yes	30 June 2023	Yes
YA 2024	No	30 June 2024	No
YA 2025	No	30 June 2025	No
YA 2026	Yes	30 June 2026	Yes

4. For funds where there are no prior references of eligibility for the income tax incentives (e.g. a newly set-up fund), the WHT exemption will be accorded if the fund is able to meet the conditions for the relevant income tax incentive for the first basis period under the incentive (hereinafter referred to as "**initial incentive year**").

5. As this assessment of the ability to meet the conditions for the relevant income tax incentive can only be done at the end of the initial incentive year, the fund should withhold tax on any interest and other qualifying payments made to non-residents during the initial incentive year and seek a refund of the taxes paid at the end of the initial incentive year after ascertaining that the relevant conditions are met.

6. Alternatively, if the fund is reasonably satisfied that the fund will be able to meet the conditions for the relevant tax incentive for the initial incentive year, the fund can choose not to withhold tax but will have to provide an undertaking to the Comptroller of Income Tax ("**CIT**") that the fund will be liable for the WHT obligations in the event that the fund is found not to be able to satisfy the conditions for the relevant income

[59] These refer to payments falling within the ambit of section 12(6) of the Income Tax Act 1947 ("**ITA**"), e.g. interest, commission, fee and any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan of indebtedness under the circumstances provided in section 12(6)(a) of the ITA, and payments arising from income derived from loans where the funds provided by such loans are brought into or used in Singapore.

tax incentive. Please refer to Annex 1 for a copy of the undertaking and this undertaking should be submitted promptly to IRAS when the interest payment is first due during the initial incentive year.

7. Under the ITA, the CIT has the right to recover the taxes and impose penalties for failure to withhold taxes on payments made to non-resident persons which are not covered by this WHT exemption.

ANNEX 6

Key parameters of the section 13O ("S13O") and section 13OA ("S13OA") schemes

Key conditions of the S13O and S13OA schemes

1. To be approved for the S13O or S13OA scheme, a fund must meet all the conditions set out below. Specifically, the S13O or S13OA scheme requires that the fund:

a) be either:

i. a company incorporated in Singapore, where the company is a tax resident of Singapore where the control and management of its business is exercised in Singapore[60]; or

ii. a limited partnership ("**LP**") registered under the Limited Partnerships Act 2008;

b) uses a Singapore-based fund administrator;

c) be managed or advised directly throughout each basis period[61] relating to any Year of Assessment ("**YA**") by a fund management company ("**FMC**") in Singapore, where the FMC must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act 2001 ("**SFA**"), or is exempt from the requirement to hold such a licence under the SFA, or is approved by the Minister or such other person as he may appoint;

d) serves only investment purposes[62];

e) cannot concurrently enjoy other tax incentive schemes;

f) did not derive income from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person that was previously carrying on a business in Singapore, where the income derived by that person would not have been tax-exempted if not for the transfer;

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[60] Generally, this would require that the meetings of the board of directors of the fund company must be held in Singapore where strategic decisions are made, amongst other factors. More information can be found on the IRAS website - https://www.iras.gov.sg/taxes/corporate-income-tax/basics-of-corporate-income-tax/tax-residency-of-a-company-certificate-of-residence.

[61] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[62] The investment objective / strategy of the fund should be within the scope of what the fund is mandated to do via its offering document or investment management agreement (or its equivalent).

g) meets additional specified conditions[63]; and

h) satisfies all other conditions as specified in the letter of award upon the approval of the fund for the purpose of the S13O or S13OA scheme.

2. Where the conditions are required to be met throughout the basis period, an S13O/OA fund with its award commencing mid-way during a basis period will, for the basis period concerned, only need to meet the conditions from the award commencement date to the last day of that basis period[64]. Should the award be terminated mid-way during a basis period, the S13O/OA fund will have to meet conditions under the scheme from the first day of that basis period to the last day of the award period[65]. The conditions will not be prorated for all other basis periods.

The 30/50 rule

3. Investors who, either alone or together with their associates, on the relevant day[66], beneficially own the total value of issued securities of the S13O fund, the value of which is more than the following prescribed percentage:

a) where the S13O fund has less than 10 investors, 30%; or

b) where the S13O fund has at least 10 investors, 50%,

will be regarded as non-qualifying investors for the purposes of the scheme and are liable to pay to the Comptroller of Income Tax ("**CIT**") a financial penalty (unless they fall within the list of qualifying investors in paragraph 7).

4. Partners who, either alone or together with their associates, on the relevant day, beneficially own the total value of equity interest (i.e. a share in the profits of the partnership) of the S13OA fund, the value of which is more than the following prescribed percentage:

a) where the S13OA fund has less than 10 partners, 30%; or

b) where the S13OA fund has at least 10 partners, 50%,

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[63] S13O or S13OA non-single family office ("**non-SFO**") funds may refer to Annex 6A for the applicable conditions. S13O or S13OA SFO funds may refer to Annex 6B for the applicable conditions.

[64] For example, a S$200 million fund with a 31 December financial year-end may commence its S13O award on 1 October 2026. The minimum business spending condition (S$200,000) for YA 2027 would be prorated to S$50,411 [92 days / 365 days * S$200,000; 92 days is the total number of days from 1 October 2026 to 31 December 2026 (both dates inclusive)].

[65] For example, a S$200 million fund with a 31 December financial year-end may terminate its S13O award with effect from 1 October 2027 (i.e. last day of award period is 30 September 2027). The minimum business spending condition ($200,000) for YA 2028 would be prorated to S$149,589 [273 days / 365 days * S$200,000; 273 days is the total number of days from 1 January 2027 to 30 September 2027 (both dates inclusive)].

[66] Relevant day refers to the last day of the fund's basis period for the YA or in the case where the fund ceases to be an approved S13O/OA fund within the basis period, the last day on which the fund enjoys the S13O/OA tax exemption.

will be regarded as non-qualifying investors for the purposes of the scheme and are liable to pay to the CIT a financial penalty (unless they fall within the list of qualifying investors in paragraph 7).

5. The requirement to pay a financial penalty to the CIT as stated in paragraphs 3 and 4 is also known as the "30/50" rule.

6. For the purpose of determining whether an investor of an S13O or S13OA fund is an associate[67] of another investor of the S13O or S13OA fund, the two investors are deemed to be associates of each other if:

a) at least 25% of the total value of the issued securities in one investor is beneficially owned, directly or indirectly, by the other; or

b) at least 25% of the total value of the issued securities in each of the two investors is beneficially owned, directly or indirectly, by a third entity[68].

7. The financial penalty mentioned in paragraphs 3 and 4 above will not apply to the following investors ("**qualifying investors**"):

a) an individual;

b) a bona fide entity not resident in Singapore who does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore;

c) a bona fide entity not resident in Singapore (excluding a permanent establishment in Singapore) who carries on an operation in Singapore through a permanent establishment in Singapore where the funds used by the entity to invest directly or indirectly in the approved company are not obtained from such operation;

d) a designated person[69];

e) another S13O fund or S13OA fund which, at all times during the basis period for the YA satisfies the conditions to avail itself of tax exemption under the S13O or S13OA scheme respectively for that period;

f) an S13U fund which, at all times during the basis period for the YA, satisfies the conditions to avail itself of tax exemption under the S13U scheme for that period; or

[67] Individuals and designated persons will not be considered associates of another person.
[68] Does not apply where an investor is an independent listed entity and does not beneficially own, directly or indirectly, 25% or more shareholding in any other investor.
[69] "Designated person" as defined in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.

g) an S13D trust or unit trust which, at all times during the basis period, satisfies the conditions to avail itself of tax exemption under S13D for that period.

8. Please refer to Annex 10 for more details on how to compute the financial penalty for non-qualifying investors.

Entities failing to meet conditions under the S13O or S13OA scheme

9. Once approved under the S13O or S13OA scheme, the S13O or S13OA fund can enjoy the tax exemption for the life of the fund. In the event that the S13O or S13OA fund fails to satisfy the specified conditions for any basis period, it will not enjoy the tax exemption under the S13O or S13OA scheme for the corresponding YA. However, if the S13O or S13OA fund is able to satisfy the specified conditions in a subsequent basis period, it may avail itself of the tax exemption under the S13O or S13OA scheme for that corresponding YA.

10. If an S13O or S13OA fund fails to satisfy the conditions permanently, MAS will need to be given advance notice of the fund's withdrawal from the S13O or S13OA scheme.

11. A fund that withdraws from the approved S13O or S13OA scheme could still avail itself of the S13O or S13OA scheme or other tax incentive schemes available to fund vehicles on a prospective basis, subject to it meeting the conditions of the scheme.

12. MAS reserves the right to revoke the award permanently for funds that are unable to fulfil non-economic conditions such as failure to provide supporting documents upon request, or when serious offence is committed.

ANNEX 6A

Economic conditions for S13O/OA non-single family office ("non-SFO") funds

1. An S13O/OA non-SFO fund[70] is required to meet the various economic conditions with effect from 1 January 2025 (unless a grace period is granted, where applicable). Specifically, the S13O or S13OA scheme requires that the non-SFO fund:

a) be managed or advised directly throughout each basis period[71] relating to any Year of Assessment ("**YA**") by a fund management company ("**FMC**") in Singapore, where the FMC must employ at least 2 qualifying investment professionals ("**IPs**")[72];

b) has a minimum fund size of S$5 million of assets under management invested in Designated Investments ("**AUM in DI**")[73] at the point of application ("**S$5m AUM in DI entry condition**")[74]; and

c) incurs the minimum amount of local business spending ("**LBS**")[75] that corresponds to the AUM in DI as at the end of each basis period relating to any YA, i.e. meet the tiered minimum LBS condition as follows:

[70] Non-SFO funds refer to funds which are not SFO funds. SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[71] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[72] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management.

[73] With effect from 1 January 2025, for the purposes of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.

[74] Non-SFO funds are required to either have capital contributed by third-party investor(s), or have a bona fide intention to raise capital from third-party investor(s). If a non-SFO fund declares a bona fide intention to raise capital from third-party investor(s) at the point of application, and does not subsequently show satisfactory evidence of raising capital from third-party investor(s), MAS reserves the right to revoke the award. "Third-party investors" are investors who are not a "related party" of the FMC. Related party, in relation to a person (A), as defined in section 2 of the ITA, means any person:

a) who directly or indirectly controls A;
b) who is being controlled directly or indirectly by A; or
c) who, together with A, is directly or indirectly under the control of a common person.

[75] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.

Table A: Tiered minimum LBS for S13O/OA non-SFO funds

AUM in DI as at the end of the basis period (S$)	Minimum LBS for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	300,000
AUM in DI ≥ 2 billion	500,000

2. S13O/OA non-SFO funds are allowed a grace period to meet the conditions relating to IPs, AUM in DI and LBS stipulated in paragraphs 1(a), 1(b) and 1(c) as follows:

a) Non-SFO funds with S13O or S13OA awards commencing in the period between 1 January 2025 (inclusive) and end of the basis period for YA 2027 are required to meet the S$5m AUM in DI entry condition in paragraph 1(b) by the end of the basis period of the third YA of the award and fulfil the IP and LBS conditions in paragraphs 1(a) and 1(c) respectively from YA 2028 (inclusive). For example, an S13O non-SFO fund with a financial year-end ("**FYE**") of 30 June and an S13O award commencing on 1 October 2025 will have to meet the following conditions in the respective basis periods, to avail itself of tax exemption under the S13O scheme (subject meeting all other relevant conditions throughout the basis period):

Table B: Illustration of grace period for S13O/OA non-SFO funds with awards commencing in the period between 1 January 2025 (inclusive) and end of the basis period for YA 2027

		Incentive year			
		1st 1 Oct 2025 – 30 Jun 2026	**2nd** 1 Jul 2026 – 30 Jun 2027	**3rd** 1 Jul 2027 – 30 Jun 2028	**From 4th**
	Basis period of S13O non-SFO fund	*1 Jul 2025 – 30 Jun 2026*[76]	*1 Jul 2026 – 30 Jun 2027*	*1 Jul 2027 – 30 Jun 2028*	*From 1 Jul 2028*
Conditions to be met	IP	Grace period	FMC has 2 IPs throughout the basis period	FMC has 2 IPs throughout the basis period	FMC has 2 IPs throughout the basis period ending 30 Jun 2029 and subsequent basis periods

[76] Conditions to be met from the award commencement date to the last day of the basis period (both dates inclusive).

		Incentive year			
		1st 1 Oct 2025 – 30 Jun 2026	**2nd** 1 Jul 2026 – 30 Jun 2027	**3rd** 1 Jul 2027 – 30 Jun 2028	**From 4th**
	Basis period of S13O non-SFO fund	*1 Jul 2025 – 30 Jun 2026*[76]	*1 Jul 2026 – 30 Jun 2027*	*1 Jul 2027 – 30 Jun 2028*	*From 1 Jul 2028*
	AUM in DI	Grace period	Grace period	S13O non-SFO fund has AUM in DI of S$5 million by 30 Jun 2028 (i.e. by end of basis period)	NA (No annual minimum AUM in DI condition)
	Total Business Spending ("**TBS**")[77]	S13O non-SFO fund incurs pro-rated TBS of S$149,589 [78] for the basis period ending 30 Jun 2026	-	-	-
	LBS	-	S13O non-SFO fund incurs LBS per AUM in DI tier for basis period ending 30 Jun 2027	S13O non-SFO fund incurs LBS per AUM in DI tier for basis period ending 30 Jun 2028	S13O non-SFO fund incurs LBS per AUM in DI tier for basis period ending 30 Jun 2029 and subsequent basis periods
Qualifies for tax exemption under S13O?		Yes, for YA 2027 (tax exemption only applicable to specified income ("**SI**") derived from DI during the period 1 Oct 2025 to 30 Jun 2026)	Yes, for YA 2028	Yes, for YA 2029	Yes, for YA 2030 and subsequent YAs

[77] TBS refers to operating expenses recognised based on accounting principles (regardless of contracting parties).

[78] 273 days / 365 days * S$200,000 = S$149,589; 273 days is the total number of days from 1 Oct 2025 to 30 Jun 2026 (both dates inclusive).

b) Non-SFO funds with S13O or S13OA awards commencing in basis periods relating to YA 2028 and onwards are required to meet the S$5m AUM in DI entry condition in paragraph 1(b) by the end of the basis period relating to the third YA of the award and fulfil the IP and LBS conditions in paragraphs 1(a) and 1(c) respectively from the basis period of the first YA of the award. For example, an S13O fund with an FYE of 30 June and an S13O award commencing on 1 October 2027 will have to meet the following conditions in all the respective basis periods, to avail itself of tax exemption under the S13O scheme (subject to meeting all other relevant conditions throughout the basis period):

Table C: Illustration of grace period for S13O/OA non-SFO funds with awards commencing in the basis period relating to YA 2028 and onwards

		Incentive year			
		1st 1 Oct 2027 – 30 Jun 2028	**2nd** 1 Jul 2028 – 30 Jun 2029	**3rd** 1 Jul 2029 – 30 Jun 2030	**From 4th**
	Basis period) of S13O non-SFO fund	*1 Jul 2027 – 30 Jun 2028*[79]	*1 Jul 2028 – 30 Jun 2029*	*1 Jul 2029 – 30 Jun 2030*	*From 1 Jul 2030*
Conditions to be met	IP	FMC has 2 IPs at point of application and thereafter maintains 2 IPs throughout each basis period			
	AUM in DI	Grace period	Grace period	S13O non-SFO fund has AUM in DI of S$5 million by 30 Jun 2030 (i.e. by end of basis period)	NA (No annual minimum AUM in DI condition)
	LBS	S13O non-SFO fund incurs pro-rated LBS per AUM in DI tier for basis period ending 30 Jun 2028	S13O non-SFO fund incurs LBS per AUM in DI tier for basis period ending 30 Jun 2029	S13O non-SFO fund incurs LBS per AUM in DI tier for basis period ending 30 Jun 2030	S13O non-SFO fund incurs LBS per AUM in DI tier for basis periods ending 30 Jun 2031 and subsequent basis periods

[79] Conditions to be met from the award commencement date to the last day of the basis period (both dates inclusive).

		Incentive year			
		1st 1 Oct 2027 – 30 Jun 2028	**2nd** 1 Jul 2028 – 30 Jun 2029	**3rd** 1 Jul 2029 – 30 Jun 2030	**From 4th**
	Basis period) of S13O non-SFO fund	*1 Jul 2027 – 30 Jun 2028*[79]	*1 Jul 2028 – 30 Jun 2029*	*1 Jul 2029 – 30 Jun 2030*	*From 1 Jul 2030*
Qualifies for tax exemption under S13O?		Yes, for YA 2029 (tax exemption only applicable to SI derived from DI during the period 1 Oct 2027 to 30 Jun 2028)	Yes, for YA 2030	Yes, for YA 2031	Yes, for YA 2032 and subsequent YAs

c) Non-SFO funds with S13O or S13OA awards commencing prior to 1 January 2025 are only required to fulfil the said conditions in each basis period with effect from YA 2028 (inclusive) to avail themselves of the tax exemption in the corresponding YA. Such funds must continue to fulfil the existing annual S$200,000 TBS condition (in lieu of the tiered minimum LBS condition in paragraph 1(c)) for basis periods relating to YAs prior to YA 2028. There is no AUM in DI condition for such funds. For example, an existing S13O non-SFO fund with an FYE of 30 June and an S13O award commencing on 1 March 2020 will have to meet the following conditions in the respective basis periods, to avail itself of tax exemption under the S13O scheme (subject to meeting all other relevant conditions throughout the basis period):

Table D: Illustration of grace period for S13O/OA non-SFO funds with awards commencing prior to 1 January 2025

		YA of S13O non-SFO fund			
		YA 2026	**YA 2027**	**YA 2028**	**From YA 2029**
	Basis period of S13O non-SFO fund	*1 Jul 2024 – 30 Jun 2025*	*1 Jul 2025 – 30 Jun 2026*	*1 Jul 2026 – 30 Jun 2027*	*From 1 Jul 2027*
Conditions to be met	IP	Grace period	Grace period	FMC has 2 IPs throughout the basis period	FMC maintains 2 IPs throughout each basis period
	AUM in DI	N.A. (No annual minimum AUM in DI condition)			

	TBS	S$200,000 for basis period ending 30 Jun 2025	S$200,000 for basis period ending 30 Jun 2026	-	-
	LBS	-	-	LBS per AUM in DI tier for basis period ending 30 Jun 2027	LBS per AUM in DI tier for basis period ending 30 Jun 2028 and subsequent basis periods
Qualifies for tax exemption under S13O?		Yes, for YA 2026	Yes, for YA 2027	Yes, for YA 2028	Yes, for YA 2029 and subsequent YAs

ANNEX 6B

Economic and banking account conditions for S13O/OA single family office ("SFO") funds

1. An S13O/OA SFO fund[80] is required to meet various economic conditions. Specifically, the S13O or S13OA scheme requires that the SFO fund:

   a) be managed or advised directly throughout each basis period[81] relating to any Year of Assessment ("**YA**") by an SFO in Singapore, where the SFO must employ at least 2 qualifying investment professionals ("**IPs**")[82] (of whom at least 1 qualifying IP is not a family member of the beneficial owner(s) of the fund). The first qualifying IP (who may be a family member or otherwise) must be employed at the point of application; while the second qualifying IP must be employed by the end of the basis period of the first YA of the S13O/OA award. Failing which, the award will be revoked with effect from the award commencement date[83];

   b) has a minimum fund size of S$20 million[84] of assets under management invested in Designated Investments ("**AUM in DI**")[85] at the point of application, and at the end of each basis period relating to any YA;

   c) incurs the minimum amount of local spending that corresponds to the AUM in DI as at the end of each basis period relating to any YA, i.e. meet the tiered minimum local spending condition as follows:

[80] SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[81] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[82] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management. For SFO funds, please also refer to FAQ 11 of Annex 11 for details on the relevant experiences and academic qualifications expected of qualifying IPs.

[83] For example, if the SFO fund's S13O/OA award commenced on 1 August 2026 and its financial year-end is 31 December, the second qualifying IP must be employed by the SFO by 31 December 2026, failing which the SFO fund's award will be revoked with effect from 1 August 2026.

[84] The SFO fund's investment (whether in the form of equity, debt or other financing arrangements) in the operating businesses of the family cannot be counted towards meeting the minimum AUM in DI condition. However, such investment shall count towards the SFO fund's AUM in DI for the purposes of all other conditions, if the investment qualifies as DI.

[85] With effect from 1 January 2025, for the purposes of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.

AUM in DI as at the end of the basis period (S$)	Minimum local spending for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	500,000
AUM in DI ≥ 2 billion	1,000,000

The minimum local spending condition may be partially met by eligible donations[86] and grants[87] to blended finance[88] instruments distributed by licensed financial institutions in Singapore, subject to a minimum amount of local business spending ("**LBS**")[89] as follows; and

AUM in DI as at the end of the basis period (S$)	Minimum local spending for the basis period (S$)
AUM in DI < 250 million	LBS of **200,000**
250 million ≤ AUM in DI < 2 billion	**500,000** comprising of: LBS of at least 300,000 + Eligible donations + Grants to blended finance instruments distributed by licensed financial institutions in Singapore *(subject to an enhanced recognition where such grants will be counted at twice their value in this computation)*
AUM in DI ≥ 2 billion	**1,000,000** comprising of: LBS of at least 500,000 + Eligible donations +

[86] Eligible donations by the S13O/OA/U SFO fund are limited to donations to Singapore Registered Charities, Exempt Charities, or Institutions of Public Character, and exclude Grantmakers under MCCY's Grantmaker Scheme. Donation receipts have to be submitted to MAS upon request if the fund is selected for review.

[87] Grants refer to contributions with no return of principal and income. For the purposes of assessing the local spending condition, the amount of eligible grants will be recognised at twice the actual amount. For example, eligible grants of S$100 will be recognised as S$200 of local spending.

[88] Blended finance refers to the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.

[89] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.

	Grants to blended finance instruments distributed by licensed financial institutions in Singapore *(subject to an enhanced recognition where such grants will be counted at twice their value in this computation)*

d) meets the Capital Deployment Requirement ("**CDR**") at the end of the basis period relating to the first full YA[90] after the commencement date of the S13O/OA award and thereafter at the end of each subsequent basis period relating to any YA, by investing at least the lower of (i) 10% of its AUM in DI[91]; or (ii) S$10 million, in DI which are:

i) Option 1: Listed on Approved Exchanges[92];

ii) Option 2: Distributed (e.g., sold, marketed) by MAS-licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges; and/or

iii) Option 3: Non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore,

subject to an enhanced recognition where investments into any of the following will be counted at twice their value (i.e. with a 2x multiplier applied) when computing if the CDR has been met:

i) Equities listed on Approved Exchanges;
ii) Funds investing substantially in Singapore-listed equities[93];
iii) Blended finance instruments distributed by licensed financial institutions in Singapore; and/or
iv) Investments in non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore.

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[90] The basis period relating to a full YA generally refers to a complete 12-month period, from the first day of the financial year to the last day of the financial year (both dates inclusive). For example, if the SFO fund's award commences on 1 August 2026 and its financial year-end is 31 December, the SFO fund must meet the CDR by 31 December 2027, which is the end of the basis period relating to the first full YA (i.e. 1 January 2027 to 31 December 2027) following the commencement of the award.

[91] The following method should be used when computing if the SFO fund's investments in CDR-eligible investments is at least 10% of its AUM in DI:

$$\frac{\text{Capital deployed}_{\text{end of basis period}}}{\text{AUM in DI}_{\text{end of basis period}}} \geq 10\%$$

[92] Exchanges approved by MAS pursuant to section 9 of the Securities and Futures Act 2001. Please refer to the Financial Institutions Directory.

[93] Funds investing substantially in Singapore-listed equities refer to exchange-traded funds / non-listed equity funds with at least 30% of its total AUM invested in equities listed on Approved Exchanges, including, but not limited to, approved funds under the Financial Sector Incentive – Fund Management (Singapore Equities) granted to fund managers managing such approved funds.

2. In addition to the economic conditions in paragraph 1, an SFO fund is also required to have a private banking account with an MAS-licensed financial institution at the point of application for the S13O/OA scheme and throughout each basis period relating to any YA. MAS reserves the right to revoke the S13O/OA award if the banking account condition is breached.

3. Unless otherwise notified by MAS in writing, the conditions in paragraphs 1 and 2 will apply to all new S13O/OA awards for SFO funds that are approved on or after 1 August 2026. Generally, awards approved on or after 1 August 2026 can be referred to as "awards subject to 5Jul23 conditions", as the annual conditions applicable to such awards are substantively similar to the revised 5Jul23 conditions (see paragraph 4).

4. Unless otherwise notified by MAS in writing, the table below summarises the revised annual conditions which will apply, with effect from the YA where the basis period ends on or after 1 August 2026, to SFO funds with existing S13O/OA awards subject to **pre-18Apr22 conditions** [94] **, 18Apr22 conditions** [95] and **5Jul23 conditions**[96] respectively:

Annual conditions for S13O/OA scheme	**For existing awards subject to pre-18Apr22 conditions**	**For existing awards subject to 18Apr22 conditions**	**For existing awards subject to 5Jul23 conditions**
Minimum AUM in DI of the fund	• N/A	• N/A[97]	• S$20 million at the end of the basis period, per paragraph 1b of Annex 6B

[94] Existing awards subject to "pre-18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS before 18 April 2022.
[95] Existing awards subject to "18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS on or after 18 April 2022 but before 5 July 2023.
[96] Existing awards subject to "5Jul23 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/OA/U Eligibility Form; or (iii) a formal application form, to MAS on or after 5 July 2023, and whose award was approved before 1 August 2026.
[97] The SFO fund was permitted a 2-year grace period from its award commencement date to increase its AUM from a minimum of S$10 million to S$20 million, if it was unable to meet the S$20 million AUM condition at the point of application.

Minimum number of IPs employed by the SFO	• N/A	• 2 qualifying IPs maintained throughout the basis period[98]	• 2 qualifying IPs, with at least 1 qualifying IP who is not a family member of the beneficial owner(s) of the fund, maintained throughout the basis period[99]
Minimum annual spending of the fund	• Total business spending ("**TBS**")[100] of S$200,000	• Tiered local spending condition, per paragraph 1c of Annex 6B	
Minimum CDR to be met by the fund	• N/A	• CDR, per paragraph 1d of Annex 6B	
Banking account	• For awards where the SFO fund's letter of award contains a condition for the fund to maintain a private banking account with an MAS-licensed financial institution throughout each basis period, the fund shall continue to be required to comply with this condition. • For awards where the SFO fund's letter of award does not contain a condition to maintain any banking account, the SFO fund must maintain a banking account or a private banking account with an MAS-licensed financial institution throughout the basis period. Such funds will be provided a 3 -month grace period from 1 August 2026 to obtain the banking account or private banking account, failing which the award may be revoked from the end of the grace period. For the avoidance of doubt, where a fund's first basis period ending on or after 1 August 2026 ends on a date which falls within the 3-month grace period, the fund can continue to enjoy the full 3-month grace period and will only be required to comply with this condition upon the expiry of that grace period.		

[98] The SFO was permitted a 1-year grace period from the SFO fund's award commencement date to employ the second qualifying IP, if the SFO was unable to employ at least 2 qualifying IPs at the point of the SFO fund's application.

[99] Please refer to paragraph 1a for the available concession in the basis period for the first YA of the award.

[100] TBS refers to operating expenses recognised based on accounting principles (regardless of contracting parties).

ANNEX 7

Key parameters of the Section 13U ("S13U") scheme

Key conditions of the S13U scheme

1. To be approved for the S13U scheme, a fund or a structure (as indicated in paragraph 3) must meet all the conditions set out below. Specifically, the S13U scheme requires that the fund or structure:

a) be managed or advised directly throughout each basis period[101] relating to any Year of Assessment ("**YA**") by a fund management company ("**FMC**") in Singapore, where the FMC must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act 2001 ("**SFA**"), or is exempt from the requirement to hold such a licence under the SFA;

b) uses a Singapore-based fund administrator if the fund/ master fund and/or feeder fund(s)[102] is a company incorporated in Singapore, with its tax residency in Singapore, where the control and management of its business is exercised in Singapore[103];

c) serves only investment purposes[104];

d) cannot concurrently[105] enjoy other tax incentive schemes;

e) meets additional specified conditions[106]; and

f) satisfies all other conditions as specified in the letter of award upon the approval of the fund or structure for the purpose of the S13U scheme.

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[101] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[102] Please refer to FAQ 27 of Annex 12 for guidance on how this condition would apply for S13U structures.

[103] Generally, this would require that the meetings of board of directors of the fund company must be held in Singapore where strategic decisions are made, amongst other factors. More information can be found on the IRAS website - https://www.iras.gov.sg/taxes/corporate-income-tax/basics-of-corporate-income-tax/tax-residency-of-a-company-certificate-of-residence.

[104] The investment objective / strategy of the fund should be within the scope of what the fund is mandated to do via its offering document or investment management agreement (or its equivalent).

[105] Funds that are currently under the other tax incentive schemes for funds can also be considered for the S13U scheme if they are able to meet the relevant conditions. For the purposes of this condition, any trust which enjoys or used to enjoy an approved pension or approved provident fund status under section 5 of the Income Tax Act 1947 will not be deemed as having met this condition. An S13U fund that wishes to avail itself of the S13D scheme instead of the S13U scheme would need to have its existing S13U award terminated prior to availing of the S13D scheme. Subsequently, should the fund wish to apply for the S13U scheme again, it would have to meet the prevailing conditions at the point of application.

[106] S13U non-single family office ("**non-SFO**") funds may refer to Annex 7A for the applicable conditions. S13U SFO funds may refer to Annex 7B for the applicable conditions.

2. Where the conditions are required to be met throughout the basis period, an S13U fund or structure with its award commencing mid-way during a basis period will, for the basis period concerned, only need to meet the conditions from the award commencement date to the last day of that basis period[107]. Should the award be terminated mid-way during a basis period, the S13U fund or structure will have to meet conditions under the scheme from the first day of that basis period to the last day of the award period[108]. The conditions will not be prorated for all other basis periods.

Requirements for various 13U structures

3. The S13U scheme accommodates the following S13U structures:

a) standalone fund vehicles;
b) master-feeder fund structures;
c) master-feeder fund structures that hold investments via special purpose vehicles ("**SPVs**") ("**master-feeder fund-SPV**" structures); and
d) master funds that hold investments via SPVs ("**master fund-SPV**" structures).

A fund with any of the aforementioned structures with multiple entities, from (b) to (d) above, can submit a consolidated tax incentive application with all entities in the structure. From 1 January 2025, the AUM in DI and LBS conditions indicated in Annex 7A (for S13U non-SFO funds) or Annex 7B (for S13U SFO funds) will apply at the S13U structure level as though the structure is a standalone fund vehicle, regardless of the number of feeder fund(s) or SPV(s) in the structure[109]. When an approved S13U fund or structure changes between any of the structures listed in (a) to (d) above, it is required to update MAS.

4. Standalone fund vehicles and both master funds and feeder funds in master-feeder fund structures are permitted to be constituted in all forms. A master fund is a vehicle that enables investors to invest funds in one or more underlying investments that are managed by a fund manager while a feeder fund means an investment vehicle (whether or not a legal entity) that invests its funds, or whose funds are invested, substantially and directly through a single master fund.

[107] For example, a S$200 million fund with December financial year-end might commence its S13U award on 1 October 2026. The minimum business spending condition ($200,000) for YA 2027 is prorated to S$50,411 [92 days / 365 days * S$200,000; 92 days is the total number of days from 1 October 2026 to 31 December 2026 (both dates inclusive)].

[108] For example, a S$200 million fund with December financial year-end might terminate its S13U award with effect from 1 October 2027 (i.e. last day of the award period is 30 September 2027). The minimum business spending condition (S$200,000) for YA 2028 is prorated to S$149,589 [273 days / 365 days * S$200,000; 273 days is the total number of days from 1 January 2027 to 30 September 2027 (both dates inclusive)].

[109] For the avoidance of doubt, for structures whose S13U award commenced prior to 1 January 2025, this would apply for basis periods corresponding to YA 2026 and subsequent YAs.

5. A master-feeder fund-SPV or master fund-SPV structure must meet the existing conditions under the S13U scheme (paragraph 1 refers) and the following conditions:

a) The master fund must be a company, trust or limited partnership incorporated / constituted / registered in Singapore, as the case may be, and be regarded as a Singapore tax resident[110] for each basis period;

b) The feeder funds, if any, are permitted to be constituted in all forms; and

c) The SPVs may be partially or wholly owned by the master fund, and are permitted to be constituted in all forms; co-investors are allowed if the co-investors are incentivised funds (i.e. funds incentivised under the S13D, S13O, S13OA, S13U or S13V schemes) or foreign investors[111]; and there is no restriction on the number of tiers of SPVs that the master fund can have.

6. After the approval of the S13U structure, any addition of feeder fund(s) or SPV(s) to the structure must be approved by MAS. An S13U structure is required to meet the minimum assets under management in Designated Investment ("**AUM in DI**") condition of S$50 million, as indicated in Annex 7A (for S13U non-SFO funds) or Annex 7B (for S13U SFO funds), at the point of application to MAS to add a feeder fund or SPV[112]. If a fund structure wishes to remove any feeder or SPV fund from its S13U award (including situations where an SPV ceases to meet the condition in paragraph 5c), the fund structure is required to update MAS. There is no AUM in DI condition at the point of removal, if feeder fund(s) or SPV(s) are only being removed from the S13U structure.

Entities failing to meet conditions under the S13U scheme

7. Once approved under the S13U scheme, the S13U fund (or each entity in the S13U structure, in the case of an S13U structure) can enjoy the tax exemption for the life of the fund. In the event that the S13U fund (or structure) fails to satisfy the specified conditions for any basis period, the S13U fund (or all the entities in the S13U structure, in the case of an S13U structure) will not enjoy the tax exemption under the S13U

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[110] If the master fund of a master-feeder fund-SPV or master fund-SPV structure is a limited partnership, it would be considered a qualifying master fund for the purposes of the S13U scheme if all partners of the partnership are Singapore tax residents.

[111] The investor (which can be a corporate entity, a trust fund, a partnership or an investment vehicle that is not a legal person) must meet the following conditions:

i) be a non-resident;
ii) does not have a permanent establishment in Singapore (other than a fund manager);
iii) does not carry on a business in Singapore;
iv) is not set up solely for the purpose of avoiding or reducing payment of tax or penalty; and
v) carries on outside Singapore substantial business activity for a genuine commercial reason.

Please refer to S13U(5) of the Income Tax Act 1947 for details.

[112] Before an application to add feeder fund(s) and/or SPV(s) is approved, the fund vehicles in the existing fund structure may continue to avail themselves of tax exemption under the existing S13U award granted to the existing fund structure. After an application to add feeder fund(s) and/or SPV(s) is approved, the fund vehicles in the new fund structure may avail themselves of the tax exemption under the S13U award granted to the new fund structure.

scheme for the corresponding YA. However, if the S13U fund (or structure) is able to satisfy the specified conditions in a subsequent basis period, the S13U fund (or all the entities in the S13U structure, in the case of an S13U structure) may avail itself of the tax exemption under the S13U scheme for that corresponding YA.

8. If an S13U fund (or an entity in the S13U structure, in the case of an S13U structure) fails to satisfy the conditions permanently, MAS will need to be given advance notice of that entity's withdrawal from the S13U scheme.

9. An S13U fund (or an entity in the S13U structure) that withdraws from the S13U scheme could still avail itself of the S13U scheme or other tax incentive schemes available to fund vehicles on a prospective basis, subject to it meeting the conditions of the scheme.

10. MAS reserves the right to revoke the award permanently for funds that are unable to fulfil non-economic conditions such as failure to provide supporting documents upon request, or when serious offence is committed.

Committed capital concession

11. As a concession, a real estate, infrastructure, private equity (including a private equity fund of funds), debt or credit fund that operates on a committed capital concept is regarded to have met the specified minimum AUM in DI condition at the point of application if it has secured a committed capital of at least the required specified minimum fund size at the point of application.

12. To allow a fund's committed capital to be recognised as meeting the minimum AUM in DI condition, the fund will have to meet the following conditions for each basis period relating to any YA:

a) The fund remains a real estate, an infrastructure, a private equity (or fund of funds), a debt or a credit fund; and

b) The level of committed capital must be legally enforceable through a contract between the investor and the fund, and the fund manager should have recourse to recover any capital committed or to take the necessary remedial action in the event the investor defaults on its commitments.

13. In addition, the fund must demonstrate that a component of payments made to the fund manager is charged based on the committed capital (i.e. undrawn amounts included).

14. Once approved under the scheme on a committed capital basis, the fund will have to confirm via annual declarations to MAS that the conditions in paragraph 12 have been adhered to. When the fund ceases to meet the conditions in paragraph 12, the fund will have to meet the minimum AUM in DI condition for that basis period, to remain on the award.

15. If the fund calls on the committed capital to a total amount that exceeds the minimum AUM in DI condition, the fund can provide a written update to MAS with supporting documentary evidence. If MAS is satisfied that the minimum AUM in DI condition has been met, the conditions in paragraph 12 will no longer be necessary for the purposes of its award.

16. In the year when a fund is on committed capital concession (i.e. has yet to drawdown the minimum AUM in DI), the annual tiered LBS condition will be computed with reference to the amount of committed capital or the actual AUM in DI, whichever is higher.

17. MAS reserves the right to terminate the award on a prospective basis if there are reasons to believe that a fund is abusing the committed capital concession for the purposes of getting approved for the S13U scheme[113].

Managed account

18. Managed accounts can qualify under the S13U scheme, if the conditions set out below can be met. The S13U scheme requires that:

a) the managed account be managed or advised directly throughout each basis period relating to any YA by an FMC in Singapore, where the FMC must hold a capital markets services licence for the regulated activity of fund management under the SFA, or is exempt from the requirement to hold such a licence under the SFA;

b) the managed account serves only investment purposes[114];

c) the managed account has an initial lock-up period of at least a few years starting from the effective date of its investment management agreement with the FMC;

d) the investor of the managed account cannot concurrently enjoy other tax incentive schemes on income derived through the managed account;

e) the managed account and the investor of the managed account meet specified economic conditions[115]; and

[113] Funds should undertake a committed capital arrangement on good faith with the intention for the committed capital to be called upon where there are commercially viable opportunities. MAS would review selected committed capital arrangements in particular by year 5 of the S13U award.
[114] As stated in the investment management agreement or its equivalent.
[115] S13U non-SFO funds may refer to Annex 7A for the applicable economic conditions. For the avoidance of doubt, the AUM in DI condition is to be met by the managed account and the business spending condition is to be met by the investor in respect of the managed account.

f) the managed account and the investor of the managed account satisfy all other conditions as specified in the letter of award upon the approval of the managed account for the purpose of the S13U scheme.

19. For a managed account to be approved for the S13U scheme, the investor of the managed account must:

a) maintain a separate custodian account for the managed account[116]; and

b) enter into an investment management agreement with the FMC for the managed account.

20. The investor of the managed account will have to apply for the S13U scheme and meet the economic conditions separately for each account. To illustrate, if an investor has three managed accounts - Account X, Account Y, and Account Z, the investor will have to apply for the S13U scheme separately for each account, and meet separate sets of economic conditions for each account.

21. As part of the S13U application process, the investor will need to provide MAS with documentation (e.g. investment management agreement) which makes reference to the managed account (e.g. name of the managed account).

22. Similar to all other funds enjoying the S13U scheme, an investor that is not already filing a tax return in Singapore will be required to file tax returns in respect of income derived through the approved managed account.

23. Any expenses incurred by the investor in excess of the specified income derived through a managed account will not be allowed to be set-off against other taxable income derived through that same managed account or against other income of the investor. These expenses will be disregarded. In addition, any loss arising from the sale of any DI in respect of a managed account will not be allowed as a deduction and will be disregarded if the S13U scheme allows for exemption of any gains or profits realised from the sale of such investments.

[116] If the investor has other managed accounts, it needs to ensure that a separate custodian account is maintained for each managed account availing of the S13U scheme, regardless of whether the managed accounts are managed by the same or different FMCs.

ANNEX 7A

Economic conditions for S13U non-single family office ("non-SFO") funds (including managed account)

1. An S13U non-SFO fund[117] or structure is required to meet the various economic conditions with effect from 1 January 2025 (unless a grace period is granted, where applicable). Specifically, the S13U scheme requires that the non-SFO fund or structure:

a) be managed or advised directly throughout each basis period[118] relating to any Year of Assessment ("**YA**") by a fund management company ("**FMC**") in Singapore, where the FMC must employ at least 3 qualifying investment professionals ("**IPs**")[119];

b) has a minimum fund size of S$50 million of assets under management invested in Designated Investments ("**AUM in DI**")[120] at the point of application[121]; and

c) incurs the minimum amount of local business spending ("**LBS**")[122] that corresponds to the AUM in DI as at the end of each basis period relating to any YA, i.e. meet the tiered minimum LBS conditions as follows:

[117] Non-SFO funds refer to fund vehicles which are not SFO funds. SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[118] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[119] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management.

[120] With effect from 1 January 2025, for the purpose of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.

[121] Non-SFO funds are required to either have capital contributed by third-party investor(s), or have a bona fide intention to raise capital from third-party investor(s). If a non-SFO fund declares a bona fide intention to raise capital from third-party investor(s) at the point of application, and does not subsequently show satisfactory evidence of raising capital from third-party investor(s), MAS reserves the right to revoke the award. "Third-party investors" are investors who are not a "related party" of the FMC. Related party, in relation to a person (A), as defined in section 2 of the ITA, means any person:

a) who directly or indirectly controls A;
b) who is being controlled directly or indirectly by A; or
c) who, together with A, is directly or indirectly under the control of a common person.

[122] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.

AUM in DI as at the end of the basis period (S$)	Minimum LBS for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	300,000
AUM in DI ≥ 2 billion	500,000

2. S13U funds that are managed accounts are also required to meet the conditions in paragraph 1. For the avoidance of doubt, the minimum LBS condition based on the approved managed account's AUM in DI (as stated in paragraph 1(c)) must be met by the investor (i.e. account holder) of the managed account through LBS incurred in respect of the managed account.

3. S13U funds (including managed accounts) or structures with awards commencing prior to 1 January 2025 are given a grace period to meet the tiered minimum LBS condition stipulated in paragraph 1(c). Specifically, such funds or structures are only required to fulfil the said condition in each basis period with effect from YA 2028 (inclusive) to avail themselves of the tax exemption in the corresponding YA. As for YAs prior to YA 2028, such funds or structures must continue to fulfil the existing annual S$200,000 LBS condition (in lieu of the tiered minimum LBS condition in paragraph 1(c)) in each basis period to avail themselves of tax exemption in the corresponding YA.

ANNEX 7B

Economic and banking account conditions for S13U single family office ("SFO") funds

1. An S13U SFO fund[123] or structure is required to meet various economic conditions. Specifically, the S13U scheme requires that the SFO fund or structure:

a) be managed or advised directly throughout each basis period[124] relating to any Year of Assessment ("**YA**") by an SFO in Singapore, where the SFO must employ at least 3 qualifying investment professionals ("**IPs**")[125] (of whom at least 1 IP is not a family member of the beneficial owner(s) of the fund). The first and second qualifying IP (who may be a family member or otherwise) must be employed at the point of application; while the third qualifying IP must be employed by the end of the basis period of the first YA of the S13U award. Failing which, the award will be revoked with effect from the award commencement date[126];

b) has a minimum fund size of S$50 million[127] of assets under management invested in Designated Investments ("**AUM in DI**")[128] at the point of application, and at the end of each basis period relating to any YA;

c) incurs the minimum amount of local spending that corresponds to the AUM in DI as at the end of each basis period relating to any YA, i.e. meet the tiered minimum local spending condition as follows:

[123] SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[124] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[125] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management. For SFO funds, please also refer to FAQ 11 of Annex 11 for details on the relevant experiences and academic qualifications expected of qualifying IPs.

[126] For example, if the SFO fund's S13U award commenced on 1 August 2026 and its financial year-end is 31 December, the third qualifying IP must be employed by the SFO by 31 December 2026, failing which the award will be revoked with effect from 1 August 2026.

[127] The SFO fund's investment (whether in the form of equity, debt or other financing arrangements) in the operating businesses of the family cannot be counted towards meeting the minimum AUM in DI condition. However, such investment shall count towards the SFO fund's AUM in DI for the purposes of all other conditions, if the investment qualifies as DI.

[128] With effect from 1 January 2025, for the purposes of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.

AUM in DI as at the end of the basis period (S$)	Minimum local spending for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	500,000
AUM in DI ≥ 2 billion	1,000,000

The minimum local spending condition may be partially met by eligible donations[129] and grants[130] to blended finance[131] instruments distributed by licensed financial institutions in Singapore, subject to a minimum amount of local business spending ("**LBS**")[132] as follows; and

AUM in DI as at the end of the basis period(S$)	Minimum local spending for the basis period (S$)
AUM in DI < 250 million	LBS of **200,000**
250 million ≤ AUM in DI < 2 billion	**500,000** comprising of: LBS of at least 300,000 + Eligible donations + Grants to blended finance instruments distributed by licensed financial institutions in Singapore (*subject to an enhanced recognition where such grants will be counted at twice their value in this computation*)
AUM in DI ≥ 2 billion	**1,000,000** comprising of: LBS of at least 500,000 + Eligible donations +

[129] Eligible donations by the S13O/OA/U SFO fund are limited to donations to Singapore Registered Charities, Exempt Charities, or Institutions of Public Character, and exclude Grantmakers under MCCY's Grantmaker Scheme. Donation receipts have to be submitted to MAS upon request if the fund is selected for review.

[130] Grants refer to contributions with no return of principal and income. For the purposes of assessing the local spending condition, the amount of eligible grants will be recognised at twice the actual amount. For example, eligible grants of S$100 will be recognised as S$200 of local spending.

[131] Blended finance refers to the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.

[132] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.

	Grants to blended finance instruments distributed by licensed financial institutions in Singapore (*subject to an enhanced recognition where such grants will be counted at twice their value in this computation*)

d) meets the Capital Deployment Requirement ("**CDR**")[133] at the end of the basis period relating to the first full YA[134] after the commencement date of the S13U award and thereafter at the end of each subsequent basis period relating to any YA, by investing at least the lower of (i) 10% of its AUM in DI[135]; or (ii) S$10 million, in DI which are:

i) Option 1: Listed on Approved Exchanges[136];

ii) Option 2: Distributed (e.g., sold, marketed) by MAS-licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges; and/or

iii) Option 3: Non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore,

subject to an enhanced recognition where investments into any of the following will be counted at twice their value (i.e. with a 2x multiplier applied) when computing if the CDR has been met:

i) Equities listed on Approved Exchanges;
ii) Funds investing substantially in Singapore-listed equities[137];

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[133] In line with the removal of additional minimum AUM in DI and LBS conditions in respect of an SPV or trading feeder fund for S13U structures, an S13U SFO fund structure is required to meet the CDR as though the entire structure is a single fund entity with effect from 1 January 2025. Accordingly, an S13U SFO fund structure will be regarded as having met the CDR for a YA if the approved entities within the structure collectively invest at least the lower of 10% of the structure's total AUM in DI or S$10 million in the specified investments, at the end of the relevant basis period.

[134] The basis period relating to a full YA generally refers to a complete 12-month period, from the first day of the financial year to the last day of the financial year (both dates inclusive). For example, if the SFO fund's award commences on 1 August 2026 and its financial year-end is 31 December, the SFO fund must meet the CDR by 31 December 2027, which is the end of the basis period relating to the first full YA (i.e. 1 January 2027 to 31 December 2027) following the commencement of the award.

[135] The following method should be used when computing if the SFO fund's investments in CDR-eligible investments is at least 10% of its AUM in DI:

$$\frac{\text{Capital deployed}_{\text{end of basis period}}}{\text{AUM in DI}_{\text{end of basis period}}} \geq 10\%$$

[136] Exchanges approved by MAS pursuant to section 9 of the Securities and Futures Act 2001. Please refer to the Financial Institutions Directory.

[137] Funds investing substantially in Singapore-listed equities refer to exchange-traded funds / non-listed equity funds with at least 30% of its total AUM invested in equities listed on Approved Exchanges, including, but not limited to, approved funds under the Financial Sector Incentive – Fund Management (Singapore Equities) granted to fund managers managing such approved funds.

iii) Blended finance instruments distributed by licensed financial institutions in Singapore; and/or
iv) Investments in non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore.

2. In addition to the economic conditions in paragraph 1, an SFO fund or structure is also required to have a private banking account[138] with an MAS-licensed financial institution at the point of application for the S13U scheme and throughout each basis period relating to any YA. MAS reserves the right to revoke the S13U award if the banking account condition is breached.

3. Unless otherwise notified by MAS in writing, the conditions in paragraphs 1 and 2 will apply to all new S13U awards for SFO funds that are approved on or after 1 August 2026. Generally, awards approved on or after 1 August 2026 can be referred to as "awards subject to 5Jul23 conditions", as the annual conditions applicable to such awards are substantively similar to the revised 5Jul23 conditions (see paragraph 4).

4. Unless otherwise notified by MAS in writing, the table below summarises the revised annual conditions which will apply, with effect from the YA where the basis period ends on or after 1 August 2026, to SFO funds or structures with existing S13U awards subject to **pre-18Apr22 conditions**[139]**, 18Apr22 conditions**[140] and **5Jul23 conditions**[141] respectively:

Annual conditions for S13U scheme	**For existing awards subject to pre-18Apr22 conditions**	**For existing awards subject to 18Apr22 conditions**	**For existing awards subject to 5Jul23 conditions**
Minimum AUM in DI of the fund or structure	• N/A	• N/A	• S$50 million at the end of the basis period, per paragraph 1b of Annex 7B

[138] For S13U SFO fund structures, the banking account condition is regarded to be met, if at least one of the approved entities within the structure owns a private banking account with an MAS-licensed financial institution at the point of application and throughout each basis period.
[139] Existing awards subject to "pre-18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS before 18 April 2022.
[140] Existing awards subject to "18Apr22 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/U Eligibility Form; or (iii) a formal application form, to MAS on or after 18 April 2022 but before 5 July 2023.
[141] Existing awards subject to "5Jul23 conditions" refer to SFO funds with an approved award, pursuant to its submission of (i) a preliminary submission; (ii) an S13O/OA/U Eligibility Form; or (iii) a formal application form, to MAS on or after 5 July 2023, and whose award was approved before 1 August 2026.

Minimum number of IPs employed by the SFO	• 3 qualifying IPs maintained throughout the basis period	• 3 qualifying IPs, with at least 1 qualifying IP who is not a family member of the beneficial owner(s) of the fund, maintained throughout the basis period[142]	• 3 qualifying IPs, with at least 1 qualifying IP who is not a family member of the beneficial owner(s) of the fund, maintained throughout the basis period[143]
Minimum annual spending of the fund or structure	• LBS of S$200,000	• Tiered local spending condition, per paragraph 1c of Annex 7B	
Minimum CDR to be met by the fund or structure[144]	• N/A	• CDR, per paragraph 1d of Annex 7B	
Banking account[145]	• For awards where the SFO fund or structure's letter of award contains a condition for the fund or structure to maintain a private banking account with an MAS-licensed financial institution throughout each basis period, the fund or structure shall continue to be required to comply with this condition. • For awards where the SFO fund or structure's letter of award does not contain a condition to maintain any banking account, the SFO fund or structure must maintain a banking account or a private banking account with an MAS-licensed financial institution throughout each basis period. Such funds or structures will be provided a 3-month grace period from 1 August 2026 to obtain the banking account or private banking		

[142] The SFO was permitted a 1-year grace period from the SFO fund's award commencement date to employ an IP who is not a family member of the beneficial owner(s), if the SFO was unable to employ one at the point of the SFO fund's application.
[143] Please refer to paragraph 1a for the available concession in the basis period for the first YA of the award.
[144] In line with the removal of additional minimum AUM in DI and LBS conditions in respect of an SPV or trading feeder fund for S13U structures, an S13U SFO fund structure is required to meet the CDR as though the entire structure is a single fund entity. Accordingly, an S13U SFO fund structure will be regarded as having met the CDR for a YA if the approved entities within the structure collectively invest at least the lower of 10% of the structure's total AUM in DI or S$10 million in the specified investments, at the end of the relevant basis period.
[145] For S13U SFO fund structures, the banking account condition is regarded to be met, if at least one of the approved entities within the structure owns the requisite banking account with an MAS-licensed financial institution.

	account, failing which the award may be revoked from the end of the grace period. For the avoidance of doubt, where a fund or structure's first basis period ending on or after 1 August 2026 ends on a date which falls within the 3-month grace period, the fund or structure can continue to enjoy the full 3-month grace period and will only be required to comply with this condition upon the expiry of that grace period.

ANNEX 8

Closed-end fund treatment as an option for Section 13O ("S13O"), Section 13OA ("S13OA") and Section 13U ("S13U") non-SFO funds

1. Closed-end funds are typically funds that have fixed lifespans (e.g. funds which may have a typical lifespan of 10 years), with designated fund-raising period(s)[146]. The fund makes investments during its investment period. In the latter part of the fund's life, there is return of capital after each exit (divestment), which will reduce the size of the fund's assets under management.

2. The closed-end fund treatment is available for S13O, S13OA and S13U non-SFO funds[147], including new funds, and funds with existing incentive awards. It is intended to provide closed-end funds with greater tax certainty, in recognition that the assets under management of a closed-end fund decreases towards the end of the fund's life. Under the closed-end fund treatment, an S13O, S13OA or S13U fund will avail itself of the following tax treatments which include a waiver of the local business spending ("**LBS**")[148] condition after 10 years.

a) Funds opting for closed-end fund treatment must meet the applicable entry condition relating to assets under management in Designated Investments ("**AUM in DI**")[149] at the point of application. Specifically, S13O/OA funds must meet the S$5 million AUM in DI entry condition, and S13U funds must meet the S$50 million AUM in DI entry condition, at the point of application. No grace period applies, and there is no annual minimum AUM in DI condition. Funds seeking to rely on the committed capital concession[150] must meet the applicable AUM in DI entry condition based on the total amount of committed capital (including called on and undrawn amounts) at the point of application.

b) The annual LBS condition will have to be met on a cumulative basis up to the tenth incentive year (inclusive) and will be waived from the eleventh incentive year onwards. The fund will be subject to the annual LBS condition on a cumulative basis for either the entire time period that it is on the incentive, or ten years, whichever is earlier. No grace period is granted in respect of the

[146] This includes closed-end funds that may not have designated redemption periods, but have clear periods during which redemption can take place.
[147] Non-SFO funds refer to fund vehicles which are not SFO funds. SFO funds refer to fund vehicles which consist of assets primarily originated from member(s) of the same family, and are managed by an SFO that is exempted from licensing requirements under the Securities and Futures Act 2001 pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.
[148] LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore.
[149] With effect from 1 January 2025, for the purpose of the S13O, S13OA and S13U schemes, any reference to the AUM of a fund shall be construed as a reference to its "AUM in DI", which refers to the value of investments held by the fund that qualify as DI. Please refer to details of DI in Annex 3.
[150] Besides S13U funds, S13O/OA funds that opt for the closed-end fund treatment may elect for the committed capital concession.

annual cumulative LBS condition under the closed-end fund treatment, e.g. if the fund fails to meet the annual cumulative LBS condition in incentive year 1, the fund would not be able to avail itself of the exemption in incentive year 1. Funds that fail to meet the annual cumulative LBS condition at incentive year 10 of the award will still be subject to the incentive year 10 annual cumulative LBS condition for subsequent years, and would only be exempt from the annual cumulative LBS condition from the year that the incentive year 10 annual cumulative condition is met.

c) The fund is required to have its S13O, S13OA or S13U award revoked with effect from the end of its divestment phase[151], or the day immediately after its 20th incentive year, whichever is earlier, in line with the premise that the fund has a fixed lifespan. In this regard, the fund may opt to revoke its existing award any time before the 20th incentive year. The fund may also propose to MAS a date of revocation based on its lifespan, and provide explanation for the proposed revocation date. A fund that has an award period of 10 years or less will still be subject to the annual cumulative LBS conditions in (b) for the entire award period.

3. With the exception of the concessions in paragraph 2 above, all other conditions that are currently applicable to S13O, S13OA and S13U funds will continue to apply. The grace period granted to S13O and S13OA funds in respect of the condition for its FMC in Singapore to hire at least 2 qualifying investment professionals[152] by Year of Assessment ("**YA**") 2028 is also granted to S13O and S13OA funds opting for the closed-end fund treatment. It is voluntary for a fund to opt into a closed-end fund treatment.

Determination of incentive year under the closed-end fund treatment

4. Incentive year is determined by the number of basis periods[153] that have elapsed since the incentive start date, including the current basis period. For example, a fund with a December financial year-end with an incentive award commencing in June 2025 will have its first incentive year ending in December 2025, second incentive year ending in December 2026, third incentive year ending in December 2027, and so on.

5. Where the first and/or last incentive year is less than 12 months, the corresponding tiered LBS condition for that year may be prorated accordingly for

[151] The fund may propose a suitable date for revocation of the fund's incentive at the end of its divestment phase, including a date when all income / gains have been recognised by the fund from the divestment of its investments.
[152] IPs, for the purposes of the S13O, S13OA and S13U schemes, refer to portfolio managers, research analysts and traders who are Singapore tax residents, earning more than S$3,500 per month and must be engaging substantially in the qualifying activity of fund management.
[153] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

purposes of calculating the annual cumulative LBS condition[154]. For the avoidance of doubt, the tiered LBS condition will apply fully for purposes of calculating the annual cumulative LBS condition in all other basis periods.

Illustration of annual cumulative LBS condition under the closed-end fund treatment

6. To illustrate the annual cumulative LBS condition under the closed-end fund treatment, consider a fund with AUM in DI and LBS in columns A and B of Table B. If the fund does not opt for the closed-end fund treatment, the tiered LBS condition for the first 10 incentive years, as specified in the first 10 years in column C of Table B, is based on its AUM in DI for the relevant year per Table A[155].

Table A: Tiered minimum LBS condition

AUM in DI as at the end of the basis period (S$)	Minimum LBS for the basis period (S$)
AUM in DI < 250 million	200,000
250 million ≤ AUM in DI < 2 billion	300,000
AUM in DI ≥ 2 billion	500,000

Table B: Illustration of annual cumulative LBS condition under the closed-end fund treatment where the annual cumulative LBS condition at incentive year 10 is met

	A	B	C	D	E	F
Incentive Year	**AUM in DI (S$m)**	**Actual LBS incurred for each year (S$)**	**Tiered LBS condition (S$)**	**Annual cumulative LBS condition (S$)**	**Actual cumulative LBS incurred (S$)**	**Is annual cumulative LBS condition met?**
1	500	1m	300k	300k	1m	Yes
2	500	1m	300k	600k	2m	Yes
3	500	1m	300k	900k	3m	Yes
4	500	1m	300k	1.2m	4m	Yes
5	500	500k	300k	1.5m	4.5m	Yes
6	400	400k	300k	1.8m	4.9m	Yes
7	300	300k	300k	2.1m	5.2m	Yes
8	200	200k	200k	2.3m	5.4m	Yes

[154] For example, a S$200 million fund with a 31 December financial year-end may opt into the closed-end fund treatment and commence its S13O award on 1 October 2026. The tiered LBS condition for Year 1 of the incentive would be prorated to S$50,411 (92 days / 365 days * S$200,000), and the cumulative LBS condition for Year 2 of the incentive (which would include the prorated tiered LBS for Year 1 and the full tiered LBS of $200,000 for Year 2) would be S$250,411 (S$200,000 + S$50,411).

[155] For the avoidance of doubt, funds that do not opt for the closed-end fund treatment are still required to meet the minimum tiered LBS condition per Table A, even after the 10th incentive year.

9	100	100k	200k	2.5m	5.5m	Yes
10	50	50k	200k	2.7m	5.55m	Yes
11	20	0	NA – fund is exempt after Year 10 under closed-end fund treatment	NA	5.55m	**Exempt** – fund is exempt after Year 10 under closed-end fund treatment
12	0	0		NA	5.55m	

7. We note the following for the fund illustrated in Table B:

a) The fund had AUM in DI of S$500 million in the first 5 incentive years and started divesting in incentive year 6 onwards. In year 12, its AUM in DI is zero.

b) The LBS of the fund was S$1 million in the first 4 incentive years, and started declining thereafter to S$500,000, S$400,000, S$300,000, S$200,000, S$100,000, S$50,000 and S$0 in year 5, 6, 7, 8, 9, 10 and 11 respectively.

c) The tiered LBS condition was S$300,000 in incentive year 1 to incentive year 7 and S$200,000 in year 8 to 10.

d) The minimum cumulative LBS condition (which is a summation of the tiered LBS condition for the relevant incentive years) was S$300,000, S$600,000, S$900,000, S$1.2 million, S$1.5 million, S$1.8 million, S$2.1 million, S$2.3 million, S$2.5 million and S$2.7 million in incentive year 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 respectively.

e) The actual cumulative LBS incurred was S$1 million, S$2 million, S$3 million, S$4 million, S$4.5 million, S$4.9 million, S$5.2 million, S$5.4 million, S$5.5 million, S$5.55 million in year 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 respectively.

f) Comparing the actual cumulative LBS with annual cumulative LBS condition in each incentive year, the fund met the minimum annual cumulative LBS condition every year.

g) The fund enjoys waiver of LBS condition from incentive year 11 onward.

h) The fund divests its investment fully by the end of incentive year 12, and no longer receives any income in incentive year 13. The fund should notify MAS to revoke its incentive with effect from incentive year 13.

Table C: Illustration of annual cumulative LBS condition under the closed-end fund treatment where the annual cumulative LBS condition at incentive year 10 is not met

	A	B	C	D	E	F
Incentive Year	**AUM in DI (S$m)**	**Actual LBS incurred for each year (S$)**	**Tiered LBS condition (S$)**	**Annual cumulative LBS condition (S$)**	**Actual cumulative LBS incurred (S$)**	**Is annual cumulative LBS condition met?**
1	500	300k	300k	300k	300k	Yes
2	500	400k	300k	600k	700k	Yes
3	500	100k	300k	900k	800k	No
4	500	0k	300k	1.2m	800k	No
5	500	500k	300k	1.5m	1.3m	No
6	400	300k	300k	1.8m	1.6m	No
7	300	500k	300k	2.1m	2.1m	Yes
8	200	200k	200k	2.3m	2.3m	Yes
9	100	100k	200k	2.5m	2.4m	No
10	50	200k	200k	2.7m	2.6m	No
11	25	50k	NA – the annual cumulative LBS condition does not increase after Year 10	2.7m	2.65m	No
12	20	50k		2.7m	2.7m	Yes
13	0	0		NA	2.7m	**Exempt** – fund is exempt from incentive year 11 onwards as the annual cumulative LBS condition for incentive year 10 was met in year 11

8. Table C provides a further illustration of the closed-end fund treatment. We note the following for the fund illustrated in table C:

a) The fund's actual LBS incurred in incentive year 5 exceeds the tiered LBS amount for that incentive year. However, the fund does not meet the minimum cumulative LBS condition for incentive year 5. Accordingly, the fund will not be able to enjoy the tax exemption for incentive year 5. The fund may enjoy the tax exemption again in subsequent incentive years if its cumulative LBS incurred meets or exceeds the minimum cumulative

LBS condition for the relevant incentive year, and provided all other applicable conditions are met.

b) At the end of incentive year 10, the cumulative LBS condition is S$2.7m. However, the fund incurs only actual cumulative LBS of S$2.6m by the end of Year 10 and hence fails to meet the annual cumulative LBS condition at incentive year 10. As the annual cumulative LBS condition at incentive year 10 has not been met, the fund will be subject to the annual cumulative condition for incentive year 10, until it is met in a subsequent year. In incentive year 11, the fund meets the annual cumulative LBS condition for incentive year 10, and will be exempted from the annual cumulative LBS condition from Year 12 onwards.

Committed capital concession for non-SFO funds opting for the closed-end fund treatment

9. S13O, S13OA and S13U non-SFO funds opting for the closed-end fund treatment may also avail themselves of the committed capital concession and the conditions governing the committed capital concession (similar to that applicable to S13U funds availing of committed capital concession) will apply. Specifically, to allow a fund's committed capital to be recognised as meeting the AUM in DI condition, the fund will have to meet the following conditions for each basis period relating to any YA:

a) The fund remains a real estate, an infrastructure, a private equity (or fund of funds), a debt or a credit fund;

b) The level of committed capital must be legally enforceable through a contract between the investor and the fund, and the fund manager should have recourse to recover any capital committed or to take the necessary remedial action in the event the investor defaults on its commitments.

10. In addition, the fund must demonstrate that a component of payments made to the fund manager is charged based on the committed capital (i.e. undrawn amounts included).

11. In the year when a fund is on committed capital concession (i.e. has yet to drawdown the minimum AUM in DI), the annual cumulative tiered LBS condition will be computed with reference to the amount of committed capital or the actual AUM in DI, whichever is higher. This means that the amount of committed capital will be used to determine the minimum LBS condition in Table A above (instead of using the actual AUM in DI).

12. MAS reserves the right to terminate the award if there are reasons to believe that a fund is abusing the committed capital concession for the purposes of getting approved for the S13O, S13OA or S13U scheme[156]. Specifically, MAS reserves the right to review the awards of funds that have not called on the minimum amount of committed capital by the end of Year 5 of the fund's award.

Application for closed-end fund treatment

13. Non-SFO funds wishing to avail themselves of the closed-end fund treatment will be required to make a one-time election at the point of application for the S13O, S13OA or S13U award from 1 January 2025. The election, once made, is irrevocable (i.e. a fund cannot "switch" from the existing treatment to the closed-end fund treatment and vice versa).

14. A fund making an election for the closed-end fund treatment will be required to declare its expected lifespan at the point of application. The fund is also required to update MAS in writing if there are subsequent changes to the lifespan of the fund (e.g. if the life of the fund is extended to allow more time for divestment, etc.).

S13O, S13OA and S13U closed-end funds opting into the closed-end fund treatment

15. Any S13O, S13OA or S13U non-SFO fund (regardless of the commencement date of its existing award) can opt into for the closed-end fund treatment. This would entail the revocation of the existing award and the application for a new award. The year in which the new award is granted will be regarded as Year 1 of the incentive for computation of the cumulative tiered LBS condition.

16. Please see Annex 8A for frequently asked questions and clarifications on the closed-end fund treatment.

[156] Funds should undertake a committed capital arrangement on good faith with the intention for the committed capital to be called upon where there are commercially viable opportunities, or before the end of Year 5, whichever is earlier.

ANNEX 8A

Frequently Asked Questions ("FAQs") and clarifications on the closed-end fund treatment for non-SFO funds

1 Can a fund opting for closed-end fund treatment revoke its award earlier than the 20-year limit?

Yes, the 20-year limit is intended to cater for the lifespan of most closed-end funds. Funds with a lifespan of less than 20 years may make a request to MAS to revoke their award earlier. The fund may propose a suitable date of revocation based on its lifespan, and provide explanation for the proposed revocation date. The revocation date could be a date when all income / gains have already been recognised by the fund from the divestment of its investments.

2 Would the minimum cumulative local business spending ("LBS") condition be applied on a fund with a lifespan of say 8 years (which is less than 10 years)?

If a fund has a lifespan of 8 years with corresponding award period of 8 years, the minimum cumulative LBS condition will apply for all 8 years of the award period, and automatically cease to apply with the cessation of the award at the end of the life of the fund.

3 How would the closed-end fund treatment be applied to umbrella funds, such as a Variable Capital Company ("VCC")?

The umbrella fund is treated as one legal entity for purposes of the award. Hence the entire umbrella fund would only need to meet the economic conditions, such as the minimum cumulative LBS condition with the LBS summed up across all the sub-funds, as if it were one single fund. In addition, the incentive year does not change with the addition of new sub-funds under the umbrella fund (i.e. the addition of new sub-fund does not constitute a new award), and waiver of the annual LBS condition continues to apply from Year 11 of the award for the entire fund. Accordingly, the fund would also be required to have its incentive revoked with effect from the day after its 20th incentive year, or the end of the fund's lifespan, whichever is earlier.

4 If a fund fails to meet the minimum cumulative LBS condition in an earlier year, but subsequently meets the minimum cumulative LBS condition in a later year, can the fund still avail itself of the exemption for the earlier year?

The minimum cumulative LBS condition is assessed on a year-by-year basis. Hence, if a fund fails to meet the minimum cumulative LBS condition in a given year, the fund will not be able to avail itself of the exemption for the corresponding Year of Assessment ("**YA**"), even if the minimum cumulative LBS condition is met in a later year. For example, if the fund fails to meet the minimum cumulative LBS condition in incentive year 5, but subsequently meets the minimum cumulative LBS condition in

incentive year 6, the fund would not be able to avail itself of the exemption for incentive year 5, but may avail itself of the exemption for incentive year 6.

5 Can a fund (that is a sub-fund of another fund) electing for the closed-end fund treatment rely on the offering document of that other fund to verify that the fund is eligible to opt into the closed-end fund treatment?

Yes, where a fund is created pursuant to the offering document of another fund, the offering document of that other fund may be used to verify that the fund is eligible to opt into the closed-end fund treatment (e.g. must have designated fund-raising periods and redemption periods).

6 Can a fund electing for the closed-end fund treatment also rely on the committed capital concession?

Yes, a fund, including an S13O or S13OA fund, electing for the closed-end fund treatment may also rely on the committed capital concession, provided that it meets the conditions for doing so.

7 Must a fund electing for the closed-end fund treatment always have designated redemption period(s)?

Some closed-end funds may not have designated redemption period(s). As long as it is clear (to the investors) when redemption may take place, such funds may still apply for the closed-end fund treatment.

8 When a fund applies for the S13O/OA/U scheme, and elects for the closed-end fund treatment:

(a) Should the fund indicate its fund life based on its remaining fund life, or the entire fund life based on the offering document?

(b) Should the fund include the option to extend its fund life?

The fund should indicate its best estimate of the remaining lifespan (including the option of extending its lifespan). Regardless of the lifespan of the fund, the length of the award remains the same at a maximum of 20 years, with the option to revoke earlier for funds with a shorter fund lifespan.

9 When an approved S13U fund structure (master-feeder fund, master-feeder fund-SPV or master fund-SPV) that has elected for the closed-end fund treatment subsequently adds or removes feeder funds / special purpose vehicles ("SPVs"), would the incentive year of the award change?

No, the incentive year will remain unchanged for a fund adding or removing feeder funds / SPVs for the purpose of the closed-end fund treatment.

10 How would MAS check that a fund is eligible for the closed-end fund treatment under the S13O/13OA/13U schemes?

A closed-end fund that has elected the closed-end fund treatment must have designated fund-raising and redemption period(s), and must provide supporting documentation to MAS upon request.

ANNEX 9

Key parameters of the Section 13D ("S13D") scheme

1. The S13D scheme is a self-assessed scheme i.e. a fund is not required to submit an S13D application to MAS for approval, and no annual S13D declaration filing to MAS is required. The fund is responsible for ensuring that it meets the conditions of being a qualifying fund[157] eligible for tax exemption under the S13D scheme.

Key conditions of the S13D scheme

2. An S13D fund refers to:

a) an individual (who is neither a citizen of Singapore nor resident in Singapore) and who is the beneficial owner of the funds managed by any fund manager in Singapore;

b) a company which is not resident in Singapore, and where the company:

i. does not have a permanent establishment in Singapore (other than a fund manager);

ii. does not carry on a business in Singapore; and

iii. is not a company the income of which is derived from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for the transfer, exempt from tax; or

c) a trust, and where the trustee of the trust:

i. does not have a permanent establishment in Singapore (other than due to its functions as the trustee of that trust fund, or the presence of a fund manager or any other person who acts on behalf of the trustee in carrying out its functions as the trustee of that trust fund);

ii. does not carry on a business in Singapore (other than due to its functions as the trustee of that trust fund or its management of the funds of the trust fund in Singapore, or its engagement of another person to do so); and

[157] S13D funds that satisfy the conditions for the tax exemption under S13D of the Income Tax Act 1947 throughout the relevant period.

iii. is not a trustee the income of which is derived from investments which have been transferred to him in his capacity as a trustee of that trust fund (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax.

3. An S13D fund, as referred to in paragraph 2, must be managed or advised directly throughout each basis period[158] relating to any Year of Assessment ("**YA**") by a fund management company ("**FMC**") in Singapore, where the FMC must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act 2001 ("**SFA**"), or is exempt from the requirement to hold such a licence under the SFA, and employs at least one qualifying investment professional ("**IP**")[159]. As a transitional measure, the S13D fund is only required to ensure that the FMC employs at least one qualifying IP with effect from YA 2028 (inclusive) to avail itself of the tax exemption for that YA. This condition will be assessed by the S13D fund for purposes of availing of the tax exemption under the S13D scheme.

4. An S13D fund that fails to fulfil the conditions in paragraphs 2 and 3 in a basis period shall not avail itself of the tax exemption under the S13D scheme for that corresponding YA. If the S13D fund is able to satisfy the conditions in a subsequent basis period, it may avail itself of the tax exemption under the S13D scheme in that subsequent corresponding YA.

5. The tax exemption under the S13D scheme will not apply to the following funds:

a) a trust that is a pension or provident fund which is approved under section 5 of the Income Tax Act 1947 ("**ITA**");

b) a designated unit trust as defined in section 35(14) of the ITA;

c) a real estate investment trust as defined in section 43(10) of the ITA; and

d) a company or trust which is approved under the S13U scheme.

[158] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

[159] IPs, for the purposes of the S13D scheme, refer to portfolio managers, research analysts and traders who are Singapore tax residents and engaging substantially in the qualifying activity of fund management.

The 30/50 rule

6. Investors who, either alone or together with their associates, on the relevant day[160], beneficially own the total value of issued securities of the S13D fund (being a company) or the total value of the S13D fund (being a trust fund), as the case may be, the value of which is more than the following prescribed percentage:

a) where the S13D fund has less than 10 investors, 30%; or

b) where the S13D fund has at least 10 investors, 50%,

will be regarded as non-qualifying investors for the purposes of the scheme and are liable to pay to the Comptroller of Income Tax ("**CIT**") a financial penalty (unless they fall within the list of qualifying investors in paragraph 8). This is also known as the "30/50 rule".

7. For the purpose of determining whether an investor of an S13D fund is an associate[161] of another investor of the fund, the two investors are deemed to be associates of each other if:

a) at least 25% of the total value of the issued securities in one investor is beneficially owned, directly or indirectly, by the other; or

b) at least 25% of the total value of the issued securities in each of the two investors is beneficially owned, directly or indirectly, by a third entity[162].

8. The financial penalty mentioned in paragraph 6 above will not apply to the following investors ("**qualifying investors**"):

a) an individual;

b) a bona fide non-resident non-individual investor[163] (excluding a permanent establishment in Singapore) that:

i. does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore; or

ii. carries on an operation in Singapore through a permanent establishment in Singapore but does not use funds from its operation in Singapore to invest in the qualifying fund;

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[160] Relevant day refers to the last day of the fund's basis period for the YA.
[161] Individuals and designated persons will not be considered as associates of another person.
[162] Does not apply where an investor is an independent listed entity and does not beneficially own, directly or indirectly, 25% or more shareholding in any other investor.
[163] A bona fide non-resident non-individual investor is one which carries out substantial business activities for genuine commercial reasons and has not as its sole purpose the avoidance or reduction of tax.

c) a designated person[164];

d) an S13O fund or S13OA fund which, at all times during the basis period for the YA satisfies the conditions to avail itself of tax exemption for that period under the S13O or S13OA scheme respectively;

e) an S13U fund which, at all times during the basis period for the YA, satisfies the conditions to avail itself of tax exemption for that period under the S13U scheme;

f) an investor in an S13D unit trust, provided that the S13D unit trust is in its first 2 YAs from the date of the unit trust's constitution, is constituted on or after 1 April 2019 and is a retail unit trust, i.e. a unit trust which is included under the CPF Investment Scheme or which meets all of the following conditions:

   i. the unit trust is a collective investment scheme that is authorised under section 286 of the SFA and the units of which are open to public for subscription;

   ii. the unit trust is not a real estate investment trust or a property trust that invests directly in Singapore immovable properties; and

   iii. the trustee of the unit trust is tax resident in Singapore; or

g) an S13D trust or unit trust which, at all times during the basis period for the YA, satisfies the conditions to avail itself of tax exemption under the S13D scheme for that period.

Simplification of the administration of the S13D scheme for managed accounts

9. The qualifying investor test is deemed to be met for a managed account that is held by a prescribed person which is a bona fide non-resident company [165] or a designated person[166]. This simplifies the administration of the S13D scheme for managed accounts, and reduces compliance burden.

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[164] "Designated person" as defined in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.

[165] Refers to a company which satisfies the following at all times during the basis period for the relevant YA: (a) one that is not resident in Singapore; (b) one that does not have a permanent establishment in Singapore (other than a fund manager), (c) one that does not carry on a business in Singapore, and (d) one whose income is not derived from tax-exempt investment. Please refer to the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 for the definition of "tax-exempt investment".

[166] "Designated person" as defined in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.

ANNEX 10

Determination of financial penalty for non-qualifying investors for Section 13D ("S13D"), Section 13O ("S13O") and Section 13OA ("S13OA") schemes and reporting obligations

Non-Qualifying Investors of an S13D, S13O or S13OA fund

1. Non-qualifying investors of an S13D, S13O or S13OA fund will have to pay a financial penalty to the Comptroller of Income Tax ("**CIT**"). The amount of penalty is determined as follows:

Financial Penalty = A x B x C

where A is –

(i) the percentage of the total value of the issued securities of the fund (being a company), which is beneficially owned by the non-qualifying investor on the relevant day[167];

(ii) the percentage of the total value of the fund (being a trust fund), which is beneficially owned by the non-qualifying investor on the relevant day; or

(iii) the percentage of the total value of the equity interest[168] in fund (being an approved limited partnership ("**LP**")), which is beneficially owned by the non-qualifying investor on the relevant day;

B is the amount of income of the qualifying fund as reflected in the audited or certified accounts of the qualifying fund for the basis period[169] relating to that Year of Assessment ("**YA**"); and

C is the corporate tax rate applicable to that YA.

2. Whether an investor of a fund is a qualifying investor will be determined on the relevant day. For this purpose, investments by all investors of the fund will be taken into account in determining the total number of investors and the total amount of investments in the fund.

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[167] For an S13D fund, relevant day refers to the last day of the fund's basis period for the Year of Assessment or the day immediately before the fund becomes an approved S13U fund. For an S13O or S13OA fund, relevant day refers to the last day of the fund's basis period for the YA or in the case where the fund ceases to be an approved S13O/OA fund within the basis period, the last day on which the fund enjoys the S13O/OA tax exemption, as the case may be.

[168] Equity interest in relation to a limited partnership means a share in the profits of the limited partnership.

[169] Basis period refers to the financial year or period preceding the Year of Assessment in which the fund vehicle's income is assessed to tax.

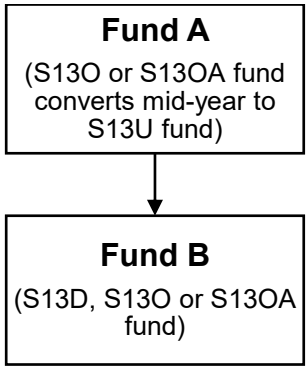
3. An investor that is not a qualifying investor on the relevant day may be granted by the CIT a grace period of up to 3 months from the relevant day to reduce the investors' percentage of ownership in the fund to meet the allowable investment limits under the 30/50 rule[170].

4. The investor will be granted the grace period if the investor can prove to the CIT that the investment limits are exceeded for reasons beyond the reasonable control of the investor. If upon the expiry of the 3 months' grace period the investor fails to reduce the percentage of ownership (or equity interest in the case of an S13OA fund) to the allowable investment limit or below, the financial penalty computed (based on the investor's percentage of ownership or equity interest as the case may be, in the fund on the relevant day) will be imposed on the investor.

Clarifying the application of the qualifying investor test and conditions under the fund schemes under specified scenarios

5. The top-tier funds in the scenarios below are considered to have met the qualifying investor test.

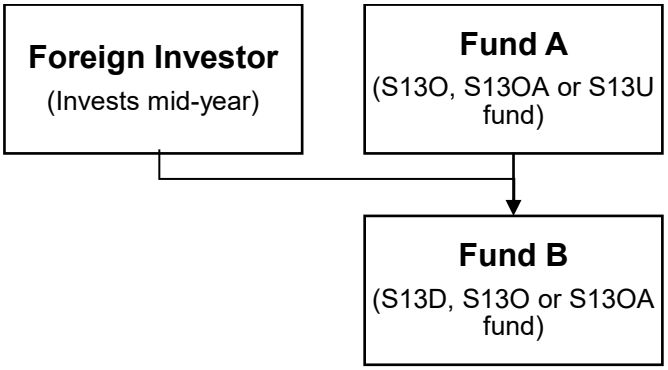
(a) An S13D, S13O or S13OA fund with a top-tier fund that converts from the S13O or S13OA to S13U scheme (or vice versa) during the basis period; and



(b) A foreign investor[171] investing mid-way during the basis period where the S13D, S13O or S13OA fund was originally wholly owned by an S13O, S13OA or S13U fund.

[170] Refer to paragraphs 3 and 4 of Annex 6 in relation to an S13O or S13OA fund. Refer to paragraph 6 of Annex 9 in relation to an S13D fund.

[171] A bona fide non-resident investor that does not have a permanent establishment in Singapore (other than a fund manager), and does not carry on a business in Singapore. Please refer to section 13D(9) of the Income Tax Act 1947 for the definition of a "non-bona fide entity".



Losses from an S13D, S13O, S13OA or S13U fund arising from designated investments or attributed to non-qualifying Investors

6. Any losses arising from designated investments incurred by the S13D, S13O, S13OA or S13U fund will not be allowed to be set-off against other taxable income of the respective fund. Any losses of the fund attributed to non-qualifying investors will also not be allowed to be set-off against other taxable income of such investors. These losses will be disregarded.

Reporting Obligations

7. To enable the investors to determine their investment stakes in an S13D, S13O or S13OA fund, in respect of the basis period relating to any YA of the fund, the fund manager of an S13D, S13O, or S13OA fund must issue an annual statement to each of its investors, showing:

a) the profit of the qualifying fund for the basis period as per the audited / certified[172] financial statement;

b) the total value of issued securities of the fund (being a company), total value of the fund (being a trust fund), or total equity interest of the fund (being an LP) as the case may be, as at the last day of the qualifying fund's basis period;

c) the total value of issued securities of the fund (being a company), total value of the fund (being a trust fund), or share of equity interest in the fund (being a LP), as the case may be, held by the investor concerned as at the last day of the qualifying fund's basis period; and

[172] The profit of the qualifying fund per certified financial statements are also acceptable for companies that are exempted from audit requirements under the Companies Act 1967 and have for the financial year concerned, chosen not to have their financial statements audited. In particular, this would relate to Singapore companies incentivised under the S13O scheme. In the case of S13OA scheme, certified statement of accounts is acceptable and in relation to a LP, means its profit and loss account and balance sheet that are certified as true and correct by its precedent partner.

d) whether the fund has less than 10 investors, as at the last day of the fund's basis period.

8. Instead of issuing annual statement to each investor, fund managers can choose to publish the information stated in paragraph 7 above on their website for investors to assess if they are liable to pay a financial penalty. Whichever method chosen, it should be applied consistently. In the fund's offering document, it should also be stated that non-qualifying investors are required to declare the financial penalty in their income tax returns.

9. The fund manager of the S13D, S13O or S13OA fund is also required to submit a declaration and furnish the details of the non-qualifying investors[173] to the CIT, if the S13D, S13O or S13OA fund has non-qualifying investors in a particular basis period. Please see Annex 2 for a sample of the declaration form to CIT.

10. A non-qualifying investor of an S13D or S13O/OA fund will have to declare the financial penalty and provide this amount in its income tax return for the relevant YA based on the financial year-end of the investor. The table below provides an illustration:

Financial year-end of fund	**Financial year-end of investor**	**YA for the investor to declare the financial penalty**
31 December 2025	31 December 2025	YA 2026, in respect of investor's basis period from 1 January 2025 to 31 December 2025
31 December 2025	30 June 2026	YA 2027 in respect of investor's basis period from 1 July 2025 to 30 June 2026

[173] This is regardless of whether the fund manager chooses to issue the annual statements to the investors or publish the relevant information on its website.

ANNEX 11

Frequently Asked Questions ("FAQs") on Section 13O ("S13O"), Section 13OA ("S13OA"), and Section 13U ("S13U") (collectively "S13O/OA/U") scheme applications by Single Family Office ("SFO") funds

List of FAQs

General questions	
1	What is a "family member"? Can an SFO manage the monies of key employees?
2	Do changes in (a) beneficial owners of an S13O/OA/U SFO fund managed by an SFO (or beneficiaries where the fund is structured as a trust), (b) shareholders, directors, key employees (C-suites) and investment professionals in the SFO, or (c) new intermediate entities in the holding structure of an S13O/OA/U SFO fund or SFO, need to be reported to MAS after the approval of the S13O/OA/U tax incentive?
3	Are the operating businesses of the beneficial owner or his family allowed to be part of the S13O/OA/U fund structure?
4	What are the required procedures if an existing S13O/OA/U fund intends to change its fund manager from a non-SFO to an SFO, or vice versa?
Assets under management in Designated Investments ("AUM in DI")	
5	Under the 5Jul23 conditions, what happens if an S13O/OA/U SFO fund's AUM in DI falls below the minimum AUM in DI amount of S$20 million (for S13O/OA) or S$50 million (for S13U) subsequently?
6	Can S13O/OA/U SFO funds hold investments in operating businesses of the beneficial owner or his family?
Capital Deployment Requirement ("CDR")	
7	Regarding Option 2 of the CDR, will an investment into a fund distributed by a global fund management company count if the global fund management company has a related licensed financial institution entity in Singapore?
8	Regarding Option 2 of the CDR, will an investment into a limited partnership fund qualify?

9	Regarding Option 3 of the CDR, a) What are the definitions of: (i) operating companies and (ii) substantive presence in Singapore? b) Does it count if the S13O/OA/U SFO fund invests into a foreign holding company that holds a non-listed Singapore-incorporated company with operating business(es) and with substantive presence in Singapore? c) Would an investment into a Singapore holding / joint venture company which owns a wholly-owned Singapore subsidiary count?
Qualifying investment professionals ("IPs")	
10	What are the expected job roles of qualifying IPs for the purposes of the S13O/OA/U schemes for SFO funds?
11	What is considered as relevant experiences or academic qualifications of qualifying IPs for the purposes of the S13O/OA/U schemes for SFO funds?

General questions

1 What is a "family member"? Can an SFO manage the monies of key employees?

For questions relating to the Revised Framework for Single Family Offices, please refer to the "FAQs on Licensing Exemption Framework for Single Family Offices" dated 12 June 2026 (https://www.mas.gov.sg/publications).

2 Do changes in (a) beneficial owners of an S13O/OA/U SFO fund (or beneficiaries where the fund is structured as a trust), (b) shareholders, directors, key employees (C-suites) and investment professionals in the SFO, or (c) new intermediate entities in the holding structure of an S13O/OA/U SFO fund or SFO, need to be reported to MAS after the approval of the S13O/OA/U tax incentive?

Yes, please notify MAS on such additions or replacements of persons and entities related to the SFO and S13O/OA/U SFO fund, as this is material information that has changed compared to the point of the application. Please provide the following details of the change to MAS, by writing to FO_13OU@mas.gov.sg:

- Registered / Full name (as per passport for individuals), including in native characters if applicable
- UEN / Business registration number (for corporates)
- Place of incorporation (for corporates)
- Date of incorporation (for corporates) / Date of birth (for individuals)
- Citizenship (for individuals; please list all citizenships, and past citizenships, if more than one. Please also indicate if the individual is a Singapore Permanent Resident)
- Gender (for individuals)
- Relationship to beneficial owner

- Revised shareholding structure if applicable
- Role in SFO (for individuals)

3 Are the operating businesses of the beneficial owner or his family allowed to be part of the S13O/OA/U fund structure?

Yes, provided the SFO fund is not:

- intended to facilitate the treasury operations of any operating business or corporate group; or
- an S13U fund owned, whether directly or indirectly, by a Singapore operating company or Singapore corporate group.

4 What are the required procedures if an existing S13O/OA/U fund intends to change its fund manager from a non-SFO to an SFO, or vice versa?

Please notify MAS, by writing to (i) FO_13OU@mas.gov.sg (for SFO funds), or (ii) 13O_FundRF@mas.gov.sg or 13U_FundET@mas.gov.sg (for non-SFO funds), on your intention to replace the fund manager.

Where an S13O/OA/U fund intends to change its fund manager from a non-SFO to an SFO, the fund will be required to submit a fresh application to MAS for an S13O/OA/U award applicable to SFO funds ("**SFO application**"). Concurrently, to facilitate the termination of its existing S13O/OA/U award under the scheme for non-SFO funds, the fund must submit the Annual Declaration for the relevant basis period up to the last day of the existing award (i.e. the day immediately preceding the submission of the SFO application). Should the SFO application be approved, the commencement date of the new award will be the date the application is submitted, to avoid any disruption in the tax incentive coverage period.

The same approach applies where an existing S13O/OA/U fund changes its fund manager from an SFO to a non-SFO.

Please note that the conditions (e.g. minimum annual spending condition) applicable to an S13O/OA/U fund managed by a non-SFO differ from those applicable to an S13O/OA/U fund managed by an SFO.

Assets under management in Designated Investments ("AUM in DI")

5 Under the 5Jul23 conditions, what happens if an S13O/OA/U SFO fund's AUM in DI falls below the minimum AUM in DI amount of S$20 million (for S13O/OA) or S$50 million (for S13U) subsequently?

The SFO fund cannot avail itself of the tax exemption for the basis period concerned when its AUM in DI falls below S$20 million (for an S13O/OA fund) or S$50 million (for an S13U fund) as at the end of the basis period.

The SFO fund can, however, avail itself to the tax exemption in any subsequent basis period, if it has AUM in DI of at least S$20 million (for an S13O/OA fund) or S$50 million (for an S13U fund) as at the end of that basis period and satisfies all other relevant conditions of the scheme in that basis period.

6 Can S13O/OA/U SFO funds hold investments in operating businesses of the beneficial owner or his family?

Yes, S13O/OA/U SFO funds may hold investments in operating businesses of the family, and such investments are not subject to any holding limits. For the purpose of assessing various conditions, the following apply:

- Investments (whether in the form of equity, debt or other financing arrangements) in operating businesses of the family will not count towards meeting the minimum AUM in DI condition.
- However, such investments will count towards all other relevant conditions (e.g. the minimum annual business spending and the Capital Deployment Requirement), provided that the investments qualify as DIs.

Capital Deployment Requirement ("CDR")

The SFO fund must invest the lower of (i) 10% of its AUM in DI or (ii) S$10 million, in DI which are:	
Option 1:	*Listed on exchanges approved by MAS pursuant to section 9 of the Securities and Futures Act 2001 ("Approved Exchanges")*[174]
Option 2:	*Distributed (e.g., sold, marketed) by MAS-licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges;*
Option 3:	*Non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore*

7 Regarding Option 2 of the CDR, will an investment into a fund distributed by a global fund management company count if the global fund management company has a related licensed financial institution entity in Singapore?

The investment can count towards Option 2 of the CDR if the awardee has documents, e.g., sales agreement, that shows that the licensed financial institution entity in Singapore has directly distributed (e.g., sold, marketed) the fund to the awardee.

[174] Please refer to the Financial Institutions Directory.

8 Regarding Option 2 of the CDR, will an investment into a limited partnership ("LP") fund qualify?

For the purpose of assessing whether the investment into an LP fund counts towards Option 2 of the CDR, the LP fund must be a DI[175] as well as be distributed by licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges.

9 Regarding Option 3 of the CDR,

a) What are the definitions of: (i) operating companies and (ii) substantive presence in Singapore?

b) Does it count if the S13O/OA/U SFO fund invests into a foreign holding company that holds a non-listed Singapore-incorporated company with operating business(es) and with substantive presence in Singapore?

c) Would an investment into a Singapore holding / joint venture company which owns a wholly-owned Singapore subsidiary count?

An operating company with substantive presence in Singapore generally has the following characteristics:

- Is a business entity that is registered in Singapore;
- Has at least 25% local shareholding interest;
- Has a minimum of 3 employees in Singapore; and
- Has an operating premise in Singapore.

Entities that are involved in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development) do not qualify as investments under Option 3 of the CDR.

For cases such as (b) and (c), the SFO fund must be able to demonstrate in its records that the definitions above are fulfilled for the underlying non-listed Singapore-incorporated operating company.

An indirect holding in a non-listed Singapore-incorporated operating company through a holding company will be considered as fulfilling Option 3 of the CDR, provided the following conditions are met:

- The intermediate entities in the ownership chain are purely investment holding structures or special purpose vehicles (SPVs) with no independent business operations of their own; and
- The underlying operating company is a non-listed Singapore-incorporated company with substantive business operations and a substantive presence in Singapore.

[175] Please refer to Annex 3.

Qualifying investment professionals ("IPs")

10 What are the expected job roles of qualifying IPs for the purposes of the S13O/OA/U schemes for SFO funds?

Qualifying IPs are expected to be employed primarily as a portfolio manager, research analyst or trader in the conduct of investment management in an SFO. Examples of a qualifying IP's responsibilities include:

- Developing and implementing investment strategies, including building and managing investment portfolios;
- Performing investment research and market analysis with recommendations to buy or sell a specific financial product or asset class; and
- Trading of financial instruments, which could include liquidity management and deal structuring.

Roles primarily relating to operations, administration, or finance / accounting are not considered to be qualifying IP roles. Examples of non-qualifying IP roles include:

- Financial planning and analysis, budgeting, or capital account management;
- Cashflow monitoring;
- Legal documentation and fund wiring;
- Tax planning support; and
- Passing on or keying in orders (i.e., trade settlement or confirmation).

11 What is considered as relevant experiences or academic qualifications of qualifying IPs for the purposes of the S13O/OA/U schemes for SFO funds?

Qualifying IPs should possess either –

- Relevant experiences, which include:
  - Investment experience (including personal investment), or
  - Professional experience in a formal employment capacity, in the conduct of portfolio management, research analysis, trading or undertaking in mergers or acquisitions, or

- Relevant academic qualifications, which include:
  - A degree/ master's qualification in Accountancy, Finance, Economics, Business Administration/ Management, Financial Engineering, or with a specialisation in any of these fields, or a relevant diploma from a Singapore institution in any of the preceding areas, or
  - Relevant professional certification (e.g., CMFAS or CFA).

ANNEX 12

Frequently Asked Questions ("FAQs") and clarifications on the Section 13D ("S13D"), Section 13O ("S13O"), Section 13OA ("S13OA"), and Section 13U ("S13U") (collectively "S13D/O/OA/U") schemes

List of FAQs

Key eligibility conditions of the S13O/OA/U schemes	
1	What is the key objective of the S13O/OA/U schemes?
2	Is an S13O/OA/U fund allowed to be dormant?
Compliance with conditions of the S13O/OA/U schemes	
3	How would MAS check that a fund meets the conditions of the S13O/OA/U schemes?
4	What is the consequence if a fund fails to submit to MAS the S13O/OA/U Annual Declaration in respect of a basis period for a specific YA?
Specified Income ("SI") and Designated Investments ("DI") list	
5	Can carbon credits qualify as DI?
6	Do partnerships qualify as DI?
7	Do limited liability companies qualify as DI?
8	Do investments in physical investment precious metals qualify as DI?
9	Do tokenised interests in a DI qualify as DI?
10	Does foreign-sourced income of an S13D/O/OA/U fund qualify as SI when remitted to Singapore?
11	Does guarantee fee income derived by an S13D/O/OA/U fund qualify as SI?
12	Does income derived from the sale of units in a real estate investment trust ("REIT") listed on the Singapore Exchange and its distributions qualify as SI?
13	Does all income derived from partnerships or LLCs (that are DI) qualify as SI?
Fund management company ("FMC") condition	
14	Can funds be managed by an exempt FMC for purposes of the S13O/OA/U schemes?
15	Are sub-delegation arrangements of fund management activities undertaken by the FMC allowed under the S13O/OA/U schemes?

16	Can a fund have more than one FMC co-managing the fund for purposes of the S13O/OA/U scheme?
Investment professionals ("IPs"), local business spending ("LBS") and asset under management ("AUM") conditions	
17	Can IPs be engaged under contract for services or be seconded from another entity, instead of being directly employed by the FMC?
18	How is LBS computed for purposes of the S13O/OA/U schemes? Does LBS include expenses such as taxes, penalties, or expenses relating to financing activities?
19	How is AUM in DI computed for purposes of the S13O/OA/U schemes?
20	Can AUM in DI comprise assets managed on an advisory basis for purposes of the S13O/OA/U schemes?
S13O/OA schemes	
21	Is there a tax residency condition for partners of a limited partnership applying for the S13OA scheme?
22	Can a fund acquire investments prior to making an S13O/OA incentive application?
S13U scheme	
23	What are the key conditions for a managed account under the S13U scheme?
24	Do the custodian and the fund manager of the managed account need to be the same entity?
25	What are the key conditions for a feeder fund for an S13U incentive application?
26	What are the key conditions for an SPV for an S13U incentive application?
27	How would the condition to appoint a Singapore-based fund administrator apply to an S13U master-feeder / master-feeder-fund-SPV / master fund-SPV structure?
S13D scheme	
28	Is there a condition for overseas funds to apply to MAS in relation to the S13D scheme?
29	Will managed accounts of bona-fide non-resident persons be deemed to meet the legal form condition under the S13D scheme?

30	How is the 30/50 rule to be applied in the case of an overseas fund, which has some of its sub-funds managed by a Singapore fund manager, for the purpose of the S13D scheme?
Reporting obligations	
31	To enable the investors to determine their compliance with the 30/50 rule, the fund manager of an S13D, S13O or S13OA fund may, with effect from YA 2020, either: a) issue an annual statement to each of its investors, or b) publish the information on their website for investors. There is also a condition to state in the fund's offering document that non-qualifying investors are required to declare the financial penalty in their income tax returns. Is this said condition mandatory for both options (a) and (b)?
32	Are foreign investors in a Singapore limited partnership fund required to file tax returns with the IRAS?
33	If an S13D, S13O or S13OA fund is in a loss-making position, is it exempted from the requirement to submit a declaration to Comptroller of Income Tax with regard to non-qualifying investors for purpose of 30/50 rule?
Goods and Services Tax ("GST") remission	
34	What is the commencement date of GST remission for a qualifying fund, given that a fund can only apply for the GST remission after it has been approved for the S13O/OA/U award?
Withholding tax ("WHT") exemption	
35	Does the WHT exemption apply to interest and qualifying payments paid to a non-resident with a permanent establishment in Singapore?
Others	
36	Are S13O/OA/U funds subject to tax on foreign-sourced disposal gains to tax under S10L of the ITA?

Key eligibility conditions of the S13O/OA/U schemes

1 What is the key objective of the S13O/OA/U schemes?

The key objective of the S13O/OA/U schemes is to support the growth of the asset and wealth management industry in Singapore by providing a conducive tax environment for Singapore-based fund management companies ("**FMCs**"), including family offices to grow their AUM in Singapore.

An S13O/OA/U fund may only serve investment purposes. The schemes are not intended for funds that act as holding companies with long term investments in operating companies[176], or for funds that are set up to facilitate treasury activities of operating companies.

2 Is an S13O/OA/U fund allowed to be dormant?

The S13O/OA/U schemes are intended for funds that are actively carrying out the business of making and managing investments. In this regard, an S13O/OA/U fund must not be dormant (i.e. the fund must not be an entity that ceases to carry on a business and has no income for any basis period). MAS reserves the right to terminate the S13O/OA/U scheme of any funds that are dormant[177].

Compliance with conditions of the S13O/OA/U schemes

3 How would MAS check that a fund meets the conditions of the S13O/OA/U schemes?

The fund is required to declare that it is in compliance with all the conditions of the relevant incentive scheme as set out in the letter of award, relevant MAS circulars, the Income Tax Act 1947 ("**ITA**"), and subsidiary legislation for the S13O/13OA/13U schemes, at the point of application and for the basis period of the relevant Year of Assessment ("**YA**") in its Annual Declaration. MAS reserves the right to request for supporting documentation or audit certification for the information submitted in the incentive application and/or Annual Declaration. Such supporting documentation may include, but is not limited to, information relating to qualifying investment professionals

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[176] This does not apply to private equity funds which take a majority stake in operating companies with a view of disposing them when the investment matures. For the avoidance of doubt,
(i) S13O/OA/U non-SFO funds are not permitted to hold investments (whether in the form of equity, debt or other financing arrangements) in operating businesses of the family; and
(ii) S13O/OA/U single family office ("**SFO**") funds may hold investments (whether in the form of equity, debt or other financing arrangements) in operating businesses of the family, subject to conditions. Please refer to FAQs 3 and 6 in Annex 11 for more details.
"Operating businesses of the family" include businesses or entities that are owned, controlled or influenced by an individual investor of the fund, or multiple investors of the fund all of whom are members of the same family.

[177] Funds that have applied for the S13O/OA/U scheme on a committed capital basis and have negligible AUM in DI initially would not be regarded as dormant insofar as they are actively seeking investment opportunities.

("**IPs**")[178], AUM in DI, investment strategy, or the fund structure. MAS reserves the right to terminate the S13O/OA/U award for a fund which fails to provide the requested supporting documentation.

4 What is the consequence if a fund fails to submit to MAS the S13O/OA/U Annual Declaration in respect of a basis period for a specific YA?

All S13O/OA/U funds must submit an Annual Declaration to MAS for each YA within 4 months after the end of the corresponding basis period. A fund which fails to submit the S13O/13OA/13U Annual Declaration in respect of a basis period for a specific YA, or is uncontactable, will be regarded as failing to meet the conditions of the scheme, and be denied the tax exemption under the S13O, S13OA or S13U scheme (as applicable) for that YA. MAS also reserves the right to terminate the S13O/OA/U award for such a fund.

Specified Income ("SI") and Designated Investments ("DI") list

5 Can carbon credits qualify as DI?

Yes, carbon credits will qualify as DI, as they are considered to be falling within item "Emission derivatives and emission allowances" in the DI list.

6 Do partnerships qualify as DI?

Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore qualify as DI. Non-publicly-traded partnerships, those that do not carry on a trade, business, profession or vocation in Singapore and invest wholly in DIs qualify as DI.

To clarify further, for the purpose of ascertaining whether a partnership qualifies as DI, a partnership carrying on only investment activities through a Singapore fund manager is not considered to be carrying on a trade, business, profession or vocation in Singapore.

If a partnership is not a qualifying DI, e.g. if partnership invests in non-DI, a look-through treatment could be applied to determine whether the partnership distribution allocated to the incentivised fund is derived by the partnership from SI arising from DI. Partnership distributions made out of such income and received by the S13D/O/OA/U fund would be granted tax exemption to the extent that the distributions are attributable to SI arising from DI. Funds must be prepared to provide the relevant supporting documents to substantiate this upon request.

[178] MAS may require documentary proof of the staff, such as employer's CPF statement, employment pass and auditor certification.

7 Do limited liability companies ("LLCs") qualify as DI?

Yes, LLCs that (i) do not carry on a trade, business, profession or vocation in Singapore and (ii) is formed under the laws of a foreign country qualify as DI.

To clarify further, for the purpose of ascertaining whether an LLC qualifies as DI, an LLC carrying on only investment activities through a Singapore fund manager is not considered to be carrying on a trade, business, profession or vocation in Singapore.

8 Do investments in physical investment precious metals ("IPMs") qualify as DI?

Prior to 1 August 2026, investments in physical IPMs only qualify as DI if those investments do not exceed 5% of the total investment portfolio of the fund, calculated in accordance with the formula A ≤ 5% of B [179] , where –

- A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and

- B is the value of the total investment portfolio of the fund as at the last day of the basis period.

The assessment of whether the 5% cap is met will have to be made for each basis period. If the 5% cap is exceeded for a basis period, all the physical IPMs will not be considered a DI for the year of assessment relating to that basis period during which cap is breached. For purpose of tax reporting to IRAS, the fund must declare in its tax computation whether the 5% cap is met. Documentary evidence supporting the assessment of the 5% cap only needs to be submitted to IRAS upon request.

From 1 August 2026, the 5% cap has been removed, to allow funds to achieve greater portfolio diversification. MAS reserves the right to deny the tax exemption or revoke the award of a non-bona fide IPM fund set up by retailers and manufacturers solely to shield their profits from tax.

For purposes of the DI list, physical IPMs has the same meaning as the IPMs specified in Part 2 of the Fourth Schedule of the Goods and Services Tax Act 1993.

9 Do tokenised interests in a DI qualify as DI?

Yes, tokenised interests in existing DI would also qualify as DI, to the extent that it confers the same interests, rights and obligations as direct ownership of the underlying DI[180].

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[179] The requirement for A to be less than or equal to 5% of B may be waived by the Comptroller of Income Tax ("**CIT**"), subject to the CIT's review of the facts.

[180] Please refer to the IRAS e-tax guide "Income Tax Treatment of Digital Tokens" for further details on the classification and tax treatment of digital assets.

For example, tokenised interests in real estate investment funds would qualify as DI, provided they meet the definition of "equity interest in real estate investment funds constituted in any form", i.e. the tokenised interest should grant the owner the right to the profits of the real estate investment fund.

10 Does foreign-sourced income of an S13D/O/OA/U fund qualify as SI when remitted to Singapore?

Foreign-sourced income derived from DI qualify as SI when remitted to Singapore if the foreign-sourced income is derived during the incentive period and remitted to Singapore during the incentive period.

Hence, foreign-sourced income that is derived outside the incentive period but remitted to Singapore during the incentive period will not qualify as SI. Similarly, foreign-sourced income that is derived during the incentive period but remitted to Singapore after the incentive period will not qualify as SI.

11 Does guarantee fee income derived by an S13D/O/OA/U fund qualify as SI?

Guarantee fee income derived in respect of a DI may qualify as SI, provided the S13D/O/OA/U fund is primarily set up to serve investments purposes and is not facilitating the treasury activities of operating companies.

For example, a fund may receive guarantee fee income when it uses or lends its securities (that are DI) as collateral to support the debt financing or borrowing activities of other entities. Such guarantee fee income derived by the fund as part of its investing activities will be regarded as SI.

12 Does income derived from the sale of units in a real estate investment trust (REIT) listed on the Singapore Exchange and its distributions qualify as SI?

Investment in units of a REIT listed on the Singapore Exchange is DI.

Disposal gains and fair value gains in respect of a REIT listed on the Singapore Exchange would thus qualify as SI from DI.

However, distributions made by a trustee of a REIT that is listed on the Singapore Exchange do not qualify as SI. Such distributions may comprise of non-taxable income (such as capital gains and tax-exempt income) and specified income that is granted tax transparency. An S13D/O/OA/U fund is liable to tax on the latter distributions from the REIT.

13 Does all income derived from partnerships or LLCs (that are DI) qualify as SI?

Income or gains derived or deemed to be derived from Singapore from a publicly-traded partnership, non-publicly-traded partnership or LLC qualify as SI if tax is not paid or payable in Singapore on such income by deduction or otherwise. This means

that generally if the income in question is Singapore-sourced income, it would not qualify as SI.

Fund management company ("FMC") condition

14 Can funds be managed by an exempt FMC for purposes of the S13O/OA/U schemes?

S13O, 13OA or 13U funds are only permitted to be managed by an FMC that is exempted from licensing as follows:

- A single family office managing a fund vehicle which consists of assets primarily originated from member(s) of the same family pursuant to paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations;

- An FMC managing immovable properties under section 5(1)(h) of the Second Schedule of the Securities and Futures (Licensing and Conduct of Business) Regulations ("section 5(1)(h) exemption"); or

- A private bank in Singapore[181] under section 99(1)(a) and section 99(1)(b) of the Securities and Futures Act 2001.

If an S13O/OA/U fund is managed by an FMC with a section 5(1)(h) exemption, the fund must obtain a legal opinion stating that the FMC qualifies for the exemption and must provide the legal opinion to MAS upon request.

Funds managed by an FMC exempted from licensing for other reasons are generally not permitted to avail themselves of tax exemption under the S13O, S13OA or S13U schemes.

15 Are sub-delegation arrangements of fund management activities undertaken by the FMC allowed under the S13O/OA/U schemes?

Fund management may include, but are not limited to activities such as:

- Establishing the objectives of the fund's portfolio of investments;
- Developing the strategic and tactical asset allocation;
- Researching, selecting and configuring the fund managers for various investments;
- Implementation of the portfolio; and
- On-going monitoring and due diligence on the investments and fund managers

[181] A private bank must be a bank in Singapore as defined in the Banking Act 1970 ("**BA**"), or a bank holding a licence granted under section 55S(1) of the BA, that is licensed to provide private banking services in Singapore.

Sub-delegation arrangements, where a Singapore-based FMC of the S13O/OA/U fund sub-delegates some of the fund management activities to other FMCs, is allowed provided that the first-mentioned Singapore-based FMC remains fully responsible for the entire management of the fund (inclusive of deliverables of any activity that is sub-delegated) and is also held accountable to the investors for the fund's performance. The first-mentioned Singapore-based FMC must meet the relevant conditions under the S13O/OA/U schemes for the fund to qualify for the respective schemes.

16 Can a fund have more than one FMC co-managing the fund for purposes of the S13O/OA/U scheme?

Yes, an S13O/OA/U fund may have more than one FMC co-managing the fund, provided that the fund meets all the relevant conditions, including the minimum required AUM at the point of application, and each FMC meets the following conditions:

- It is a Singapore FMC;
- It is fully responsible and accountable for the performance of its specific portfolio; and
- It employs the minimum required number of qualifying investment professionals under the respective schemes.

Investment professionals ("IPs"), local business spending ("LBS") and asset under management ("AUM") in Designated Investments ("DI") conditions

17 Can IPs be engaged under contract for services or be seconded from another entity, instead of being directly employed by the FMC?

The condition is that the IPs must be employed directly by the FMC. Hence, all IPs must be legally employed by the FMC, i.e. a formal employment contract between the FMC and the IPs must be signed, with the employment exercised in Singapore[182]. A seconded headcount can be included in the FMC's qualifying IP headcount numbers as long as:

a) The seconded individual is a full-time employee working for the FMC;
b) There is no double-counting of the seconded individual for the purposes of other incentive (including either grant or tax incentive) awards made to the affiliate where the individual was hired by / seconded from;
c) The FMC is charged the payroll costs relating to the seconded individual;
d) The FMC exercises control and direction in the manner in which the seconded individual carries out / performs the employment duties and activities; **and**
e) The hiring practices are adopted for bona fide commercial reasons.

[182] The IP must possess a valid employment pass, if applicable.

18 How is LBS computed for purposes of the S13O/OA/U schemes? Does LBS include expenses such as taxes, penalties, or expenses relating to financing activities?

LBS refers to operating expenses recognised based on accounting principles (including but not limited to remuneration, fund management fees and other operating costs) that are paid to contracting parties in Singapore. The main component of LBS incurred by a fund is typically the fund management fees.

If fund entities are unable to directly identify other components of LBS, if any, they may apply relevant and reasonable proxies to derive the LBS figure. MAS reserves the right to request the fund to provide the basis for the proxies used.

Expenses such as taxes, penalties, or expenses relating to financing activities are excluded from LBS because the business spending condition is to ensure that the fund has a substantive presence in Singapore, which should be supported by the fund's incurrence of relevant operational expenses.

19 How is AUM in DI computed for purposes of the S13O/OA/U schemes?

AUM in DI refers to net amount of DI recognised as assets in the statement of financial position in accordance with relevant accounting standards. The net amount of DI means the amount of DI recognised as assets (e.g. derivatives recognised as asset) net of DI recognised as liability (e.g. derivatives recognised as liability). For the avoidance of doubt, loans (including shareholder loans) taken to finance DI need not be taken into account as a liability in arriving at the AUM in DI.

20 Can AUM in DI comprise assets managed on an advisory basis for purposes of the S13O/OA/U schemes?

Yes. For purposes of S13O/OA/U schemes, the fund's AUM in DI may comprise both assets managed on either an advisory or a discretionary basis.

<u>S13O/OA schemes</u>

21 Is there a tax residency condition for partners of a limited partnership ("LP") applying for the S13OA scheme?

There is no tax residency condition for the partners of the LP for purposes of applying for the S13OA scheme. The condition is that the LP must be registered in Singapore under the Limited Partnerships Act 2008.

22 Can a fund acquire investments prior to making an S13O/OA incentive application?

An S13O or S13OA fund with award commencing on or after 1 January 2025 may acquire investments prior to applying for the S13O or S13OA scheme. The investments must have been acquired on market terms and conditions.

S13U scheme

23 What are the key conditions for a managed account under the S13U scheme?

The incentive applicant or investor must be able to substantiate the following in order to demonstrate that an account is a managed account for purposes of an S13U incentive application:

- The managed account is a dedicated investment account where the funds are placed by the investor with a fund manager in a ringfenced account without using a separate fund vehicle.

- The fund manager is given the mandate to invest based on an investment strategy or objectives that are stipulated in the investment management agreement between the investor and fund manager. A managed account is expected to include a lock-down period (e.g. a few years) so that the fund manager has certainty when managing the funds in accordance with the investment objectives.

- Each managed account has a custodian that holds the investments for the benefit of the investor. The custodian account is opened in the investor's name and there is a custodian agreement to govern the relationship between the investor and the custodian. The change of custodian account (i.e. the transfer of assets from one custodian to another) effectively means the closure of an existing managed account (and cessation of S13U status) and the opening of a new managed account.

There is no restriction on the number of managed accounts that an investor may have to qualify for the S13U scheme, as long as each account meets the S13U conditions as though they are separate S13U funds.

24 Do the custodian and the fund manager of the managed account need to be the same entity?

The custodian and the fund manager of the managed account, as documented in the relevant custodian agreement and investment management agreement, do not need to be the same entity.

25 What are the key conditions for a feeder fund for an S13U incentive application?

A fund must invest substantially in the master fund to be considered a feeder fund as part of the master-feeder fund structure or master-feeder fund-SPV structure. Otherwise, the said fund should submit its own S13U incentive application.

The onus is on the incentive applicant to substantiate that a fund is a feeder fund to a master fund.

26 What are the key conditions for an SPV for an S13U incentive application?

An applicant fund should only include in the S13U incentive application SPVs that are set up with commercial rationale.

The fund is required to apply to MAS for any addition of new SPVs in the approved S13U structure, and the fund is expected to demonstrate that the S13U structure has a minimum AUM in DI of S$50 million at the point of application. SPVs not approved under the S13U scheme are not eligible for tax exemption.

27 How would the condition to appoint a Singapore-based fund administrator apply to an S13U master-feeder / master-feeder fund-SPV / master fund-SPV structure?

In the case of master-feeder fund / master-feeder fund-SPV / master-SPV structures, the condition to appoint a Singapore-based fund administrator only applies to the feeder fund(s) and the master fund which are tax resident in Singapore. SPVs are not required to appoint a Singapore-based fund administrator.

<u>S13D scheme</u>

28 Is there a condition for overseas funds to apply to MAS in relation to the S13D scheme?

There is no condition for overseas funds to apply to MAS for the S13D scheme. Funds should self-assess and ensure that they meet all the necessary conditions of the scheme set out in S13D of the ITA and subsidiary legislation, and are thus eligible for the S13D scheme. Professional advice should be sought on the funds' eligibility, if necessary.

29 Will managed accounts of bona-fide non-resident persons be deemed to meet the legal form condition under the S13D scheme?

There is no change to the legal form condition in connection with the managed account. Non-resident persons would still need to fall under one of the prescribed legal forms (as a non-resident individual, non-resident company or trust entity) in order for its managed account to qualify for the S13D scheme.

30 How is the 30/50 rule[183] to be applied in the case of an overseas fund, which has some of its sub-funds managed by a Singapore fund manager, for the purpose of the S13D scheme?

For an overseas fund that is legally set up as an umbrella structure with multiple sub-funds, the 30/50 rule will apply only to the sub-funds where the funds are managed in Singapore by the fund manager (the "**Singapore-managed sub-funds**").

The computation of the investors' beneficial ownership of the Singapore-managed sub-funds, for the purpose of determining whether they are non-qualifying investors and liable to pay a financial penalty to the CIT, is as follows:

X = A / B

where:

A is the value of the issued securities[184] of the Singapore-managed sub-funds held by the investor (either alone or together with the investor's associates[185]) as at the relevant day;

B[186] is the total value of the issued securities of all the Singapore-managed sub-funds combined as at the relevant day; and

X is the percentage of ownership held by an investor (either alone or together with the investor's associates).

The above formula must be consistently applied for all YAs for the life of the overseas fund.

The following table shows when an investor is considered to be non-qualifying and liable to pay a financial penalty to the CIT (the 30/50 rule):

[183] Please refer to paragraphs 6 to 8 of Annex 9 for more information on qualifying investors and the 30/50 rule.
[184] As defined in S13D of the Income Tax Act 1947.
[185] Two investors shall be deemed to be associates of each other if: (a) at least 25% of the total value of the issued securities in one investor is beneficially owned, directly or indirectly, by the other; or (b) at least 25% of the total value of the issued securities in each of the two investors is beneficially owned, directly or indirectly, by a third entity. This does not apply where an investor is an independent listed entity and does not have 25% or more shareholding in any other investor.
[186] B should exclude the value of the issued securities of sub-funds which are not managed by a Singapore fund manager.

	No. of investors in the Singapore-managed sub-funds combined	
	< 10 investors	**≥ 10 investors**
Investor liable to pay financial penalty when	X > 30%	X > 50%
Investor not liable to pay financial penalty when	X ≤ 30%	X ≤ 50%

Where there are sub-funds managed by overseas fund managers that could constitute a permanent establishment of the overseas fund in Singapore, and where Singapore-sourced income is derived from such sub-funds, the income will not fall within the scope of the S13D scheme and may be taxable in Singapore.

Reporting obligations

31 To enable the investors to determine their compliance with the 30/50 rule, the fund manager of an S13D, S13O or S13OA fund may, with effect from YA 2020, either:
(a) issue an annual statement to each of its investors, or
(b) publish the information on their website for investors.
There is also a condition to state in the fund's offering document that non-qualifying investors are required to declare the financial penalty in their income tax returns. Is this said condition mandatory for both options (a) and (b)?

The condition to make a disclosure in the fund's offering document only applies to fund managers who choose option (b), to publish the information on their website for investors. This condition does not apply to a fund manager who continues to issue annual statement to investors for the purpose of ascertaining their compliance with the 30/50 rule.

32 Are foreign partners / investors of an incentivised Singapore LP fund required to file tax returns with the IRAS?

In accordance with existing tax filing requirements, all partners / investors with income accruing in or derived from Singapore are required to file tax returns with IRAS. To ease compliance burden, foreign partners / investors of an incentivised Singapore LP fund who derive only tax-exempt income from the fund may, subject to IRAS' review and approval, not be required to file tax returns in Singapore. Such foreign partners / investors who have been issued a tax reference number and/or a tax return may write to IRAS to request a review of their filing requirement.

33 If an S13D, S13O or S13OA fund is in a loss-making position, is it exempted from the requirement to submit a declaration to Comptroller of Income Tax ("CIT") with regard to non-qualifying investors for purpose of 30/50 rule?

The fund manager of the S13D, S13O or S13OA fund that is in a loss-making position is still required to submit a declaration and furnish details of the non-qualifying

investors to the CIT, if the 13D, 13O or 13OA fund has non-qualifying investors in a particular basis period. CIT will assess the case (including whether the non-qualifying investor is liable to financial penalty) and will liaise with the fund / fund manager accordingly.

Goods and Services Tax (GST) remission

34 What is the commencement date of GST remission for a qualifying fund, given that a fund can only apply for the GST remission after it has been approved for the S13O/OA/U award?

While the fund can only apply for GST remission after it has obtained the necessary documents (e.g. the S13O/OA/U award letter issued by MAS) and filed its first MAS Annual Declaration, to the extent that it satisfies the relevant qualifying conditions under the GST remission, the commencement date of the GST remission can be back-dated to the date that the fund is granted approval for the S13O/OA/U award or the effective date of the GST remission, whichever is later.

Withholding tax (WHT) exemption

35 Does the WHT exemption apply to interest and qualifying payments paid to a non-resident with a permanent establishment in Singapore?

All 13D, 13O, 13OA and 13U funds, including all 13U funds approved under the various 13U fund structures (i.e. single fund, master-feeder fund, master-feeder fund-SPV and master fund-SPV structures) may avail themselves of the WHT exemption for interest and other qualifying payments made to a non-resident with a permanent establishment in Singapore, if such payments do not arise directly from the business activity of the permanent establishment in Singapore.

Others

36 Are S13O/OA/U funds subject to tax on foreign-sourced disposal gains under S10L of the ITA?

Foreign-sourced disposal gains[187] derived by an entity with adequate economic substance in Singapore are not subject to tax under S10L.

A fund under the section 13O, 13OA or 13U tax incentive schemes will automatically be regarded as meeting the economic substance requirement (and hence not liable to tax under S10L) for the basis period covered by the Annual Declaration if the fund submits an Annual Declaration[188] to MAS and meets the qualifying conditions for the above schemes.

[187] Excluding gains from disposal of foreign intellectual property rights.
[188] An approved fund under section 13O, 13OA, or 13U is required to submit an Annual Declaration to MAS confirming that the fund has met the tax incentive conditions.

ANNEX 13

Standard Terms and Conditions for Section 13O ("S13O"), Section 13OA ("S13OA") and Section 13U ("S13U") funds

1 Definition of investment professionals ("IPs") for reporting purposes

1.1 For the avoidance of doubt, IPs refer to Singapore tax residents who are earning more than S$3,500 per month and must be engaging substantially in the qualifying activity set out in paragraph 1.2. below. As a rule of thumb, an individual who spends more than 50% of his time in the qualifying activity will be considered to be engaging substantially in the qualifying activity. An individual who spends 50% or less of his time in the qualifying activity should be reported as "0" (zero) headcount, while an individual who spends more than 50% of his time in the qualifying activity may be reported as "1" (one) headcount.

1.2 The qualifying activity referred to in paragraph 1.1 above is that of undertaking the activities of a portfolio manager, research analyst or trader.

1.3 Headcount of IPs should not include staff who are already counted as IPs under a different incentive, including grants (i.e., the same staff cannot be counted as a qualifying IP towards more than one incentive). This condition does not apply to IPs counted under the S13O, S13OA or S13U awards and the Financial Sector Incentive – Fund Management (FSI-FM) or Standard Tier (FSI-ST) award.

1.4 MAS reserves the right to reject a reported headcount as an IP if the reported headcount is assessed to be lacking the relevant formal work experience or academic qualifications that is expected of an IP.

2 Submission of supporting documents upon request

2.1 The S13O, S13OA or S13U fund must submit any supporting documentation or audit certification as may be requested by MAS for the purposes of ensuring compliance with the terms and conditions including, but not limited to, the disclosure of personal data. Such requests for personal data by MAS will be made only where the disclosure is necessary in the public interest, such that the S13O, S13OA or S13U fund can rely on the public interest exception under the Personal Data Protection Act 2012 ("PDPA") in section 17(1)(c) of the PDPA read with paragraph 1 of Division 1, Part 3 of the Second Schedule to the PDPA, which permits the disclosure of personal data of an individual to a public agency (without consent from the individual), where the disclosure is necessary in the public interest.

3 Termination of award

3.1 Should the S13O, S13OA or S13U fund seek the withdrawal, termination or revocation of the award, it must make a request in writing to MAS. The award shall

continue to have effect until such time as the request is approved, and MAS notifies the S13O, S13OA or S13U fund of the withdrawal, termination or revocation, as the case may be, of the award. The S13O, S13OA or S13U fund acknowledges that MAS may, at its discretion, reject any such request.

3.2 MAS reserves the right to revoke or terminate an S13O, S13OA or S13U fund's award permanently or suspend the award for any breach of the approval terms and conditions. If there is revocation or termination of the S13O, S13OA or S13U fund's award, the fund would have to re-apply for the S13O, S13OA or S13U scheme if it wishes to enjoy the tax exemption again in the future.

4 Confidentiality

4.1 The letter of award must be kept confidential by the S13O, S13OA or S13U fund and may be disclosed to a director, officer or employee of the fund only where, and only to the extent that, the disclosure is necessary for the said director's, officer's or employee's, as the case may be, performance of his duties. Said information must not be disclosed to any third parties including, but not limited to, the general public and the press, except with the prior written approval of MAS. Notwithstanding the generality of the foregoing, the S13O, S13OA or S13U fund may release the said information, on a strictly confidential and need-to-know basis, to auditors, tax consultants and legal advisors, as may be necessary for the purposes of obtaining professional advice provided the S13O, S13OA or S13U fund ensures that such third parties are first informed of and acknowledge, in writing, the confidential nature of the disclosed information.

5 Amendment to terms and conditions

5.1 MAS reserves the right to amend, or cause to be amended, the approval terms and conditions from time to time and as may be deemed necessary by MAS. The latest approval terms and conditions are provided in the latest dated letter of award, relevant MAS circulars, Income Tax Act 1947, and subsidiary legislation.

6 Anti-money laundering, countering the financing of terrorism and counter-proliferation financing ("AML/CFT/CPF") and other offences

6.1 The S13O, S13OA or S13U fund must comply with the prevailing AML/CFT/CPF laws in Singapore, including the AML/CFT/CPF laws set out in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 ("CDSA") (including the offences set out in the Schedules of the CDSA) and the Terrorism (Suppression of Financing) Act 2002 ("TSOFA"). The S13O, S13OA or S13U fund must inform MAS within 14 days of any breach of such prevailing AML/CFT/CPF laws by the S13O, S13OA or S13U fund.

6.2 Where the fund is a single family office ("SFO") fund, the S13O, S13OA or S13U fund, the fund management company ("FMC"), and their Relevant Persons:

(a) must not have committed;
(b) must not have been or be under investigation for;
(c) must not have been or be wanted by any law enforcement authorities for;
(d) must not have been charged with;
(e) must not have been the offender of a compounded offence where the offence is; and
(f) must not have been convicted with;

whether in Singapore or elsewhere, an offence as set out in the CDSA (including the offences set out in the Schedules of the CDSA) or TSOFA, or Penal Code 1871 ("Penal Code"), or an offence against the law of a foreign country or part thereof that consists of or includes conduct which, if the conduct had occurred in Singapore, would have constituted an offence under the CDSA (including the offences set out in the Schedules of the CDSA) or TSOFA, or the Penal Code.

6.3. For the purposes of paragraph 6.2, "Relevant Persons" means:

(i) the beneficial owners and shareholders, of each of the S13O, S13OA or S13U fund and (where the S13O, S13OA or S13U fund is an SFO fund) the FMC;

(ii) individuals who contributed to the source of funds of the S13O, S13OA or S13U fund;

(iii) in the case where the S13O, S13OA or S13U fund is structured as a trust, the settlor, beneficiaries of the S13O, S13OA or S13U fund, and any natural person exercising ultimate ownership, control or effective control over the S13O, S13OA or S13U fund; and

(iv) entities that directly or indirectly own each of the S13O, S13OA or S13U fund and (where the S13O, S13OA or S13U fund is an SFO fund) the FMC.

6.4. For the avoidance of doubt, the condition in paragraph 6.2 is to be met on an ongoing basis throughout the period of the S13O, S13OA or S13U award, including the period before the condition took effect.

7 Consent for disclosure of information to MAS

7.1 The S13O, S13OA or S13U fund consents to the disclosure of information relating to its income or items of income, by the Comptroller of Income Tax to the MAS for the performance of MAS' official duties ("covered disclosures").

7.2 For the purposes of paragraph 7.1, information relating to the income or items of income of the S13O, S13OA or S13U fund includes, but is not limited to, information contained in documents, tax returns, assessment lists and copies of such lists relating to the income or items of income of the Fund.

7.3 For the avoidance of doubt, and subject to paragraph 7.4, the consent of the S13O, S13OA or S13U fund under paragraph 7.1 will survive any withdrawal, suspension, termination or revocation of the tax exemption status.

7.4 Should the S13O, S13OA or S13U fund wish to withdraw the consent provided in paragraph 7.1, the S13O, S13OA or S13U fund must notify the MAS in writing. The withdrawal of the consent shall be effective from the date of receipt of the written notice by MAS or any later date specified in the notice (the “consent withdrawal date”).

7.5 For the avoidance of doubt, any withdrawal of consent pursuant to paragraph 7.4 shall not affect covered disclosures made prior to the consent withdrawal date, which shall remain valid.

8 Consent for use of information by MAS

8.1 The S13O, S13OA or S13U fund consents to MAS using information from the annual declaration(s) and other submissions to facilitate the administration of the award, as well as to inform policy reviews and assess market developments.

9 Others

9.1 All references to any Act in the letter of award and approval terms and conditions shall include any legislation amending, revoking and/or replacing such Act or part thereof and any subsidiary legislation (including rules, regulations or orders) made under or pursuant to it.

9.2 Any headings or titles in the letter of award and approval terms and conditions are for reference and convenience only and do not form part of the letter of award or approval terms and conditions, and shall not affect its interpretation.

9.3 All information provided in the S13O, S13OA or S13U fund’s application (including any supporting documents) for the purposes of the application is true, accurate and complete, and that the S13O, S13OA or S13U fund is aware that legal action (including criminal prosecution) may be taken if information which is false, misleading, or inaccurate is knowingly provided. In the event that any information provided for the purposes of the application is subsequently found to be false, misleading and/or inaccurate, MAS reserves the right to revoke or suspend any approval granted.

9.4 MAS reserves the right to take into account any information that may be relevant for the purpose of assessing whether the fund is able to meet any approval term and condition.