

VCC Grant Scheme

Overview

The Variable Capital Company (VCC) is a new corporate structure tailored for investment funds. MAS has launched a VCC Grant Scheme (VCCGS) under the Financial Sector Development Fund (FSDF) to co-fund qualifying expenses paid to Singapore-based service providers for work done in Singapore, in relation to the incorporation or registration of a VCC.

Objective:

The VCCGS seeks to grow Singapore's fund domiciliation capabilities and catalyse early adoption of VCCs. This will ensure that fund managers consider the VCC alongside traditional fund structures. It will also help attract fund managers that have already set up investment funds overseas to re-domicile these investment funds to Singapore as VCCs.

Criteria:

Applicant Eligibility

Applicants should be Qualifying Fund Managers¹ that have incorporated a VCC or have successfully re-domiciled a foreign corporate entity to Singapore as a VCC, and have obtained a notice of incorporation or transfer of registration from ACRA.

Project Eligibility

This grant is open to Qualifying Fund Managers that have incorporated VCCs or re-domiciled a foreign corporate entity to Singapore as a VCC. The following conditions apply:

- (a) The set up of the VCC cannot be simultaneously funded by other government grants/incentives with respect to the same set of qualifying costs and commitments;
- (b) Each applicant may only apply for the VCCGS for work done in relation to a maximum of three (3) VCCs that have been successfully incorporated or re-domiciled;

¹ A Qualifying Fund Manager is defined as:

- (i) a licensed fund management company, i.e., a holder of a capital markets services licence for fund management under section 86 of the Securities and Futures Act (Cap. 289) (SFA);
- (ii) a registered fund management company, i.e. a corporation which is exempted from holding a capital markets services licence under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations; or
- (iii) a financial institution exempted under sections 99(1)(a), (b), (c) or (d) of the SFA from the requirement to hold a capital markets services licence to carry on business in fund management, i.e., a bank licensed under the Banking Act (Cap. 19), a merchant bank approved under the MAS Act (Cap. 186), a finance company licensed under the Finance Companies Act (Cap. 108) or a company or co-operative society licensed under the Insurance Act (Cap. 142).

- (c) Qualifying expenses must be paid to Singapore-based service providers² for work done in Singapore in relation to the incorporation and registration of VCCs and their-sub funds;
- (d) A Qualifying Fund Manager may not claim co-funding under the grant scheme solely for registration of sub-funds (without the accompanying incorporation or transfer of registration of a VCC). However, a Qualifying Fund Manager may claim qualifying set up costs incurred for the registration of sub-funds as part of the set up of an umbrella VCC; and
- (e) Applicants should formally submit their applications within three (3) months from the date on the notice of incorporation issued by ACRA (for a newly incorporated VCC) or within three (3) months from the date of ACRA's approval of the VCC's evidence of de-registration (for a foreign corporate entity re-domiciled to Singapore as a VCC).

Minimum Operational Period

A VCC which has been awarded a grant under the VCCGS is required to remain operational for at least one year from the Registration Date³. This means that the VCC cannot be wound up within the first year from the Registration Date. In the event that the VCC is wound up within the first year from the Registration Date, the Qualifying Fund Manager is to inform MAS promptly and no later than the end of one week from the date of the application for the winding up or passing of resolution for a voluntary winding up. MAS reserves the right to claw back the grant awarded if the VCC is wound up within the first year from the Registration Date and/or if the recipient fails to inform MAS of the winding up of the VCC within one week from the date of the winding up.

Funding

The table below sets out the qualifying expenses⁴ that may be claimed (on a reimbursement basis) under the VCCGS.

Category	Items that qualify for funding	Funding Level (%)
Legal services	<ul style="list-style-type: none"> Fees charged by law firms for legal work in relation to the incorporation or registration of a VCC, including 	70% co-funding of qualifying expenses

² For the avoidance of doubt, work performed outside Singapore is not covered under the VCCGS, even if this work relates to the incorporation/registration of the VCC.

³ Registration Date refers to the date of registration as specified in the notice of incorporation or notice of transfer of registration issued by ACRA.

⁴ For all categories of qualifying expenses, incidentals, such as printing fees, are not covered.

	<p>but not limited to, drafting of legal documents such as the VCC constitution, offering memorandum (or equivalent), subscription agreements, investment management agreements⁵</p> <ul style="list-style-type: none"> • Work done in relation to the authorisation or notification of the VCC's prospectus with MAS⁶ 	listed, capped at \$150,000 per VCC
Tax services	<ul style="list-style-type: none"> • Fees charged by tax advisors, fund administrators, corporate secretaries, law firms or other Singapore-based service providers for tax advice connected with the incorporation or registration of a VCC, including but not limited to tax opinions on the incorporation or registration of a VCC as well relating to any tax incentive applications⁷ 	
Administration and regulatory compliance services	<ul style="list-style-type: none"> • Fees charged by fund administrators, corporate service providers or company secretaries for work done including for incorporation or registration services in relation to the set up of a VCC, appointment of directors and all filings necessary for the incorporation or registration of the VCC • Fees charged for work done by regulatory consultants relation to the authorisation or registration of 	

⁵ Statutory fees, including all filing fees, are not covered.

⁶ For the avoidance of doubt, work done in relation to the licensing of the Qualifying Fund Manager is not covered.

⁷ The tax advice may also cover tax compliance matters as well as any opinions on the VCC's eligibility for Singapore double tax treaties with other jurisdictions, as well as GST remission. Fees charged for liaising with IRAS or MAS on tax matters in relation to the incorporation or registration of a VCC will also qualify.

	the VCC with MAS ⁸ or setting up a compliance framework or any services listed above is also included ⁹	
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Contact Us

Interested parties may further engage MAS to discuss their proposed application for the VCCGS.

Interested applicants can write to fsdf@mas.gov.sg to obtain the application form or for more information.

⁸ For the avoidance of doubt, work done in relation to the licensing of the Qualifying Fund Manager is not covered.

⁹ This includes work done in relation to reviewing the existing compliance framework of the Qualifying Fund Manager to accommodate/make adjustments for the management of the VCC by the Qualifying Fund Manager.