



**NATARAJAN & SWAMINATHAN LLP**  
A MEMBER FIRM OF KNAV INTERNATIONAL LTD

# TAXATION OF FUNDS IN SINGAPORE

FRIDAY, 14<sup>TH</sup> MARCH, 2025 @ 5.00PM



**SPEAKER**

**MR. R NARAYANA MOHAN**

Senior Partner, Natarajan & Swaminathan LLP  
Chartered Accountants of Singapore.  
PAST CHAIRMAN of SICCI is inviting you to a  
scheduled Teams meeting.



**JOIN ZOOM MEETING**

<https://zoom.us/j/99805206660?pwd=Tdb6dUvbuCvAmg2UGZ3gGy7PjeDbI3.1>

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- ❖ **Global Investor Program – EDB, Family Office**

# **FUND MANAGEMENT**

## **WHAT IS FUND MANAGEMENT ?**

**Fund managers primarily manage an investment Fund. They make decisions on buying and selling of securities, as well as balancing the portfolio, with the aim of achieving the desired returns for investors while managing risks associated with the portfolio.**

## **HOW BIG IS SINGAPORE'S FUND MANAGEMENT INDUSTRY?**

- As at end- 2022, there were 1194 licensed and registered fund management companies in Singapore. This figure increased to 1250 as at end – 2023.**
- Total assets under management grew exponentially from S\$25.6 billion in 1991 to Singapore dollars 5.41 trillion as at 2023.**

# **FUND MANAGEMENT**

## **WHO ARE SOME OF THE BIG NAMES INTERNATIONALLY**

- BlackRock is the biggest asset manager, with US\$ 11.6 trillion in assets under management at the end of the fourth quarter of 2024.
- Other leading global asset managers include –
  - Vanguard
  - State Street
  - Fidelity

## **WHO ARE SOME OF THE LOCAL PLAYERS**

- Lion Global Investors, a wholly owned subsidiary of OCBC Bank, is 70 percent owned by Great Eastern Holdings.
- Fullerton Fund Management, which is a part of Seviaora, an independent asset management group that is owned by Temasek

# Overall view of Fund Management in Singapore

- The Financial Institution Act [Miscellaneous amendments] Act 2024

This act has partially come into force on 30<sup>th</sup> Aug 2024 and harmonise and enhance mass investigative and supervisory powers in force for MAS across the following 6 acts –

1. Insurance Act 1966
2. Securities and Futures Act 2001
3. Financial services and Markets Act 2022
4. Financial Advisors Act 2001
5. Payment Services Act 2019
6. Trust Companies Act 2005

- MAS has powers to issue directions to CMS license holders, conducting unregulated businesses, digital payment token derivatives that are traded in overseas exchanges.



# Singapore - Tax Incentive scheme for Funds and Fund Managers

## Funds managers

Fund manager 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.

## Tax incentive schemes for funds

Tax exemption to fund vehicles that are managed by Singapore-based fund managers, subject to the fulfilment of the schemes' conditions throughout the relevant period. The tax exemption is granted in respect of specified income (SI) derived by the fund vehicles from the funds managed by a fund manager in respect of designated investments (DI)

**13D scheme** - Exemption of income of prescribed persons arising from funds managed by a fund manager in Singapore henceforth referred to as “**S13D scheme**”

**13O scheme** - Exemption of income of approved companies arising from funds managed by a fund manager in Singapore henceforth referred to as “**S13O scheme**”

**13 U scheme** - Exemption of income arising from funds managed by a fund manager in Singapore henceforth referred to as “**S13U scheme**”

To support the growth of Singapore's asset and wealth management industry, the above-mentioned tax incentive schemes for funds are extended till 31 December 2029

# Singapore - Tax Incentive scheme for Funds and Fund Managers

## GST Remission

GST remission will continue to be available for qualifying funds that have satisfied the conditions under the respective S13D, S13O or S13U schemes as at the last of the fund's preceding financial year (FY). The scope of the GST remission remains unchanged, and the date has been extended till 31.12.2029

## WHT Exemption

WHT exemption will continue apply to interest and other qualifying payments made to non-residents by qualifying funds. The scope of the WHT exemptions remains unchanged, and the date has been extended till 31.12.2029.

## Tax Exemption

Tax exemption under the S13D, S13O and S13U schemes are available for the life of the funds., subject to them fulfilling the conditions of the respective schemes applicable in those basis periods.

# Singapore - Tax Incentive scheme for Funds and Fund Managers

## 30 – 50 rule

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 all the investment income derived by the resident non-individual investor from the S130 fund

## Aum – Asset Under Management - AUM in DI requirement (new)

The S130 non-SFO fund must have at least S\$5 million in AUM comprising investments in DI, as at the end of each FY.



## Singapore - Tax Incentive scheme for Funds and Fund Managers

### Business spending requirement (updated).

A Local Business Spending (“LBS”) requirement for each FY of the S13O non-SFO fund, tiered according to AUM in DI, will be introduced. This tiered LBS requirement replaces the existing annual Total Business Spending (“TBS”) requirement of S\$200,000.

**Table A: Minimum tiered LBS for S13O & S13U non-SFO funds**

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

- MAS has set up ‘Equities Market Review Group’ ( to improve listing of companies in Singapore) has recommended tax incentives to get more companies and fund managers to list in the Singapore Stock Exchange (detailed information in the next slide) -

# SINGAPORE BUDGET 2025

## TAX INCENTIVES ANNOUNCED IN BUDGET 2025 FOR COMPANIES AND FUND MANAGERS TO LIST ON SGX

	Listing corporate income tax rebate for new company listings in Singapore.	Enhanced concessionary tax rate for new Fund Manager listings in Singapore	Tax exemption on fund managers' qualifying income arising from funds investing substantially in Singapore-listed equities
Who qualifies	<ul style="list-style-type: none"><li>Companies and registered business trust that are tax residents in Singapore</li></ul>	<ul style="list-style-type: none"><li>Singapore fund managers</li></ul>	<ul style="list-style-type: none"><li>Singapore fund managers</li></ul>
Tax benefit	<ul style="list-style-type: none"><li>Primary listing: 20% rebate</li><li>Secondary listings: 10% rebate</li></ul>	<ul style="list-style-type: none"><li>5% concessionary tax rate on qualifying income</li></ul>	<ul style="list-style-type: none"><li>Tax exemption on qualifying income</li></ul>
Cap on Tax benefit	<ol style="list-style-type: none"><li>Tax benefit cap of \$6 million per year of assessments for qualifying firms with market cap of S\$1 billion.</li><li>Tax benefit cap of S\$3 million per year for qualifying firms for qualifying firms with market cap of less than S\$1 billion</li></ol>		<ol style="list-style-type: none"><li>New funds, 30% of AUM (asset under management) invested in Singapore Listed equities.</li><li>Existing funds, 30% of AUM (asset under management) invested in Singapore Listed equities., annual net inflow equivalent to at least 5% of funds AUM in the preceding year</li></ol>
Limitation	<ul style="list-style-type: none"><li>The company receiving the rebate has to remain listed for 5 years, the scheme is open till 31 December 2027.</li></ul>	<ul style="list-style-type: none"><li>The fund management company or the holding company is listed for 5 years and gets a primary listing on SGX.</li><li>The fund manager must distribute a portion of the profits as dividend, meet requirements for minimum professional headcounts and AUM.</li><li>The scheme is open up till 31 December 2028</li></ul>	

## **The \$5 billion Equity Market Development Program [EQDP]**

1. The Monetary Authority of Singapore [MAS] will launch a \$5 billion Programme through which it will partner with selected Fund Managers to invest in Singapore stocks.
2. The program will invest in a range of funds managed by local as well as foreign fund managers based in Singapore

## **GLOBAL INVESTOR PROGRAM – FAMILY OFFICE**

1. MAS will calibrate the Global Investor Program to support more capital inflows into Singapore- listed equities.

**OLD REGULATION** - Of that, a minimum of \$50 million Must be deployed into qualifying investment categories consisting of listed equities, real estate investment trusts, and other non-listed Singapore-based operating companies, among others.

**NEW REGULATION** - The qualifying investment categories will be narrowed to only equities listed on approved Singapore exchanges.

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**Thank You**