

VCC SINGAPORE

# The Singapore Variable Capital Company

Six years on, the definitive guide to Asia's fund vehicle — structure, tax incentives, family offices and the 2026 regulatory landscape.

2026 EDITION

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1,400+

LIVE VCCS, MID-2026

2,695

SUB-FUNDS (MAS, 2024  
SURVEY)

S\$6.07T

SINGAPORE AUM, UP  
12%

~600

MAS-REGULATED  
MANAGERS

# Contents

01	Key highlights	At a glance
02	Introduction: six years of the VCC	2020–2026
03	What is a VCC?	Structure & features
04	Requirements, governance and supervision	ACRA, MAS & IID 04/2025
05	Setting up: process, timeline and costs	Fees & friction points
06	The tax regime: 13O, 13U, 13D and 13OA	Post-2025 rules
07	Family offices and the VCC	SFO, MFO, GIP & succession
08	External asset managers and the sub-fund platform	From LPOA to fund vehicle
09	Re-domiciliation of funds to Singapore	Inward transfer
10	The 2026 landscape: adoption and outlook	Data & trends
11	Next steps & about VCC Singapore	Contacts

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# 01 Key highlights

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The Variable Capital Company (VCC) is Singapore's purpose-built corporate vehicle for investment funds, created under the Variable Capital Companies Act 2018 and in force since January 2020. Six years on, it has become the default onshore structure for hedge funds, private equity and venture vehicles, family offices and external asset manager (EAM) platforms across Asia.

1,400+

LIVE VCCS BY MID-2026 (INDUSTRY TRACKING); ~1,200 OFFICIAL AS AT 31 MAR 2025

25–35

NEW VCC INCORPORATIONS PER MONTH THROUGH 2026

~50%

OF LIVE VCCS HOLD PRIVATE FAMILY WEALTH

S\$5M / S\$50M

130 / 13U MINIMUM AUM SINCE 1 JAN 2025

## What makes the VCC different

- **Capital always equals net assets.** Shares are issued and redeemed at NAV with no capital-reduction process, and **dividends may be paid out of capital**, not just profits.
- **One umbrella, many sub-funds.** An umbrella VCC holds multiple ring-fenced sub-funds under Section 29 of the VCC Act — each with its own assets, investors, NAV and accounts, sharing one board, secretary, auditor and manager.
- **Privacy with accountability.** The register of members is not public, but is available to regulators and law enforcement on request.
- **Mandatory regulated manager.** Every VCC must appoint a Singapore-based MAS-licensed or regulated fund manager (or an exempt manager, such as a qualifying single family office). A VCC is a vehicle, not a licence.
- **Inward re-domiciliation.** Foreign corporate funds — most commonly Cayman exempted companies and SPCs — can transfer registration to Singapore as a VCC, keeping legal identity, track record and contracts.
- **All strategies, open- or closed-ended.** Usable for traditional and alternative strategies, retail (Authorised), accredited (Restricted) and Exempt schemes alike.

## WHAT CHANGED SINCE THE EARLY GUIDES

- The **VCC Grant Scheme is closed** — it expired on 15 January 2025 and has no replacement. Many older guides still describe it as live.
- The **130 minimum is now S\$5 million** in designated investments (not the pre-2025 S\$20 million figure still widely quoted), tested at every financial year-end.
- The **RFMC regime was repealed on 1 August 2024**; the A/I LFMC is now the baseline licence for new managers.
- MAS issued **Circular IID 04/2025** (26 June 2025) on VCC governance — custody, director licensing, substantive fund management and AML/CFT ownership.
- Tiered **local business spending of S\$200k–S\$500k** per year now applies to 13O/13U funds, replacing the old flat S\$200k.

This report consolidates the current rules, costs and market data into a single reference for fund managers, family offices, EAMs and their advisers. Every figure has been reviewed in June 2026 against MAS, IRAS and ACRA guidance.

# 02

## Introduction: six years of the VCC

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From a 2020 launch with 18 pilot managers to more than 1,400 live vehicles in 2026 — how Singapore built Asia's answer to the Cayman SPC and the Luxembourg SICAV.

## 02 Introduction: six years of the VCC

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Before 2020, a fund manager domiciling a fund in Singapore had to choose between a private limited company, a unit trust or a limited partnership — none of which was designed for collective investment. Company law fixed capital and restricted dividends to profits; redemption at NAV required cumbersome capital-reduction machinery; and there was no segregated-cell concept. Managers who wanted those features went offshore, overwhelmingly to the Cayman Islands. Over 70% of offshore funds sold in Singapore at the time were corporate-form funds domiciled abroad.

The Variable Capital Companies Act was passed by Parliament on 1 October 2018 and brought into force on 14 January 2020, with MAS and ACRA jointly launching the framework the following day. The intervening fifteen months were used to build the VCC register, settle tax treatment, write AML rules and stand up a grant scheme, following a pilot run by 18 fund managers in September 2019.

The design brief was explicit: give Singapore an onshore equivalent to the Cayman segregated portfolio company and Luxembourg's SICAV — variable capital, redemption at NAV, statutory ring-fencing between cells — while adding what offshore centres cannot offer: Singapore substance, MAS and ACRA oversight, and access to Singapore's network of more than 90 double-tax treaties.

### How it is regulated

A VCC is incorporated by the **Accounting and Corporate Regulatory Authority (ACRA)**, which administers the VCC Act, the register and annual filings. The **Monetary Authority of Singapore (MAS)** regulates the fund dimension — the mandatory manager requirement, AML/CFT under Notice VCC-N01, governance expectations and the 13O/13U tax incentive awards. A useful shorthand: ACRA governs the company; MAS governs how the fund is managed.

The VCC legislation did not replace Singapore's fund regulation. The Securities and Futures Act regime — Authorised schemes for retail investors, Restricted schemes for accredited investors, and Exempt schemes for small offers and institutional placements — overlays VCCs exactly as it does unit trusts and limited partnerships.

### From launch to maturity

Roughly 200 VCCs were incorporated in the first year. By early 2024 the register held over 1,000 umbrella and standalone VCCs with around 2,000 sub-funds. The MAS Asset Management Survey 2024, published in July 2025, counted **1,200 VCCs and 2,695 sub-funds** across 628 regulated fund management companies, against total Singapore AUM of **S\$6.07 trillion, up 12% year on year**, with private-credit investments rising 21%. By mid-2026, industry tracking puts the live count above 1,400, growing at 25–35 incorporations a month.

The vehicle's centre of gravity has also shifted. Roughly half of all live VCCs now hold private family wealth, and the fastest-growing user groups are multi-family offices, private-credit and private-equity sub-funds, and emerging managers launching on hosted platforms. In June 2023, DBS Private Bank launched what it described as the world's first bank-backed multi-family office built on the VCC structure. Under Project Guardian, tokenised VCC sub-funds for money-market strategies moved from pilot to production by 2026.

### THE SINGLE MOST MISUNDERSTOOD POINT

A VCC is a **vehicle, not a licence**. Incorporating one confers no permission to manage money. Every VCC must appoint a Permissible Fund Manager — an MAS-licensed or regulated fund management company, or an exempt manager such as a qualifying single family office — and it may only be used as a collective investment scheme, never as a trading company or a personal holding company for non-fund assets.

# 03

## What is a VCC?

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Variable capital, dividends out of capital, a non-public register, and statutory ring-fencing between sub-funds — the features that made offshore structuring optional.

## 03 What is a VCC?

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A Variable Capital Company is a body corporate constituted under the VCC Act 2018 whose defining statutory feature is that its **paid-up capital is always equal to its net asset value**. There is no par value and no statutory minimum capital. Because capital floats with NAV, shares can be issued and redeemed continuously at NAV without any solvency or capital-reduction process, and dividends can be paid out of capital rather than only out of accounting profits — essential for income-distributing strategies and for family wealth structures that distribute principal across generations.

Under section 15(1) of the Act, a VCC may only be used as a collective investment scheme in corporate form. Its register of members is not public — a meaningful privacy feature for private wealth — but must be produced to regulators and law enforcement on request. Accounts may be prepared under SFRS, IFRS or US GAAP, a deliberate flexibility for international investors and re-domiciled funds.

### Standalone or umbrella

A VCC can be incorporated as a **standalone** fund — one legal entity, one pool of assets, one strategy — or as an **umbrella** holding multiple sub-funds. Each sub-fund has its own portfolio, investors, subscription and redemption terms, accounts and NAV, while sharing a single board, company secretary, auditor and fund manager. Each sub-fund is registered with ACRA and carries its own identifier, but sub-funds are not separate legal persons: the umbrella VCC is the contracting entity, acting in respect of a designated sub-fund.

### Section 29 ring-fencing

Section 29 of the VCC Act is the umbrella's load-bearing wall. It provides that (i) the assets of a sub-fund may be used only to discharge that sub-fund's liabilities; (ii) a sub-fund's liabilities must be discharged solely out of its own assets; and (iii) if those assets are exhausted, creditors generally cannot reach the assets of other sub-funds. A single sub-fund can be wound up without disturbing the rest of the umbrella.

#### **RING-FENCING IS EARNED, NOT JUST LEGISLATED**

Whether foreign courts will respect the statutory ring-fence remains unresolved — the same recognition question that has always attached to Cayman SPCs. Operational discipline matters: separate books and bank/custody accounts per sub-fund, clear allocation of shared costs, and no commingling of cash or records. Sloppy commingling is the classic way to undermine segregation, and a director's AML failure in any one sub-fund exposes the whole umbrella and its board.

### Why umbrella economics dominate

Adding a sub-fund costs a one-time S\$400 ACRA registration fee — against S\$8,000 plus a full service-provider stack for a fresh incorporation. Tax incentives under 13O/13U can be applied for at umbrella level and flow to the sub-funds, and an umbrella VCC files a single corporate tax return. For stamp-duty purposes, each sub-fund of an umbrella is treated as a separate person. Multi-strategy managers, EAM platforms and multi-family offices therefore default to umbrellas; a standalone suits a single permanent strategy. On platform umbrellas, sub-fund-to-umbrella ratios are now trending past 3:1.

## VCC versus private limited company (Pte Ltd)

Feature	VCC	Pte Ltd
Purpose	Collective investment schemes only	Any lawful business
Capital	Variable; always equals NAV; no par value	Fixed; capital reduction formalities
Dividends	Payable out of capital	Out of profits only
Sub-funds	Umbrella with ring-fenced sub-funds (s.29)	None
Register of members	Not public (available to authorities)	Public
Fund manager	Mandatory MAS-regulated/exempt manager	Not required
Audit	Mandatory at any size; no exemption	Small-company exemption possible
Incorporation fee	S\$8,000	~S\$300
Accounting standards	SFRS, IFRS or US GAAP	SFRS

## Share classes and distributions

Within a sub-fund (or a standalone VCC), multiple share classes can carry different fee terms, currencies, distribution policies or voting rights. Because redemption happens at NAV by statute, investor entry and exit is a register entry rather than a capital event. Issuance and redemption at NAV are not dutiable transfers; only a genuine secondary transfer of shares between holders attracts the 0.2% share-transfer stamp duty. A VCC can also avail itself of the US “check-the-box” election, preserving flow-through treatment for US taxable investors.

# 04

## Requirements, governance and supervision

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The mandatory appointments, the ACRA/MAS split, and what MAS Circular IID 04/2025 signalled about custody, director licensing, substance and AML/CFT.

## 04 Requirements, governance and supervision

### Mandatory appointments and ongoing obligations

Requirement	Detail
Permissible Fund Manager	MAS-licensed CMS holder, licensed/registered FMC, or exempt manager (e.g. qualifying single family office). Mandatory at all times; a VCC cannot self-manage (s.46).
Directors	≥1 Singapore-ordinarily-resident director; ≥1 director who is a director or qualified representative of the fund manager (s.48(1)(b)) — one person may satisfy both. Authorised (retail) schemes: ≥3 directors incl. ≥1 independent.
Registered office	In Singapore at all times.
Company secretary	Within 6 months of incorporation.
Auditor	Within <b>3 months</b> of incorporation — the tightest deadline; approved fund auditors have limited capacity. Annual audit is mandatory at any size, with per-sub-fund and umbrella-level accounts.
AGM / annual return	AGM within 6 months of FY-end (unless validly dispensed with); annual return within 7 months (ACRA fee S\$1,600).
Custodian / administrator	Not a statutory deadline but practically required; Authorised schemes need an approved trustee as custodian and a registered prospectus.
Capital	No minimum; paid-up capital must continuously equal net assets.

### MAS Circular IID 04/2025: the governance reset

On 26 June 2025, MAS's Investment Intermediaries Department wrote to all fund managers following a 2024 thematic review of VCC lodgements and a manager survey. The context: roughly 1,200 VCCs as at 31 March 2025, run by some 600 MAS-regulated financial institutions, the vast majority offered only to accredited and institutional investors. The circular changes no law; it restates obligations and flags four supervisory focus areas:

- 1. Custody.** Fund assets such as listed equities and fixed income must be held with independent custodians. The sole carve-out is private-equity and venture investments offered only to accredited or institutional investors.
- 2. Director licensing.** Directors who perform regulated activities — deal sourcing, research, portfolio management, execution, or marketing — must be appointed licensed representatives of the manager.
- 3. Substantive fund management.** MAS found VCCs with no assets or investors more than a year after incorporation, and VCCs merely warehousing a single investor's pre-existing illiquid assets. Transferring an investor's existing assets into a VCC without genuine investment input is not fund management. Managers must not act as asset-wrapping conduits, and dormant VCCs should be wound down.

4. **AML/CFT ownership.** Appointing an Eligible Financial Institution under Notice VCC-N01 does not transfer responsibility: the VCC and its directors remain accountable for the beneficial-ownership register, screening, enhanced due diligence and training.

#### WHO THE CONDUIT WARNING BITES

The substantive-management expectation lands hardest on single-investor family wrappers and hosted platforms. Under IID 04/2025, a host manager must do real management — the arrangement cannot be a pass-through, and the people making investment decisions must be its appointed representatives. MAS stated it is conducting supervisory reviews of specific managers and will decide on regulatory action.

### AML/CFT after the S\$3 billion case

The August 2023 money-laundering case — ten arrests, assets seized across more than a dozen banks, several family-office structures and corporate service providers, ultimately exceeding S\$3 billion — reshaped onboarding practice. MAS imposed composition penalties on multiple financial institutions through 2024 and 2025. By 2026 the practical effects are visible: source-of-wealth files now mean tax filings, audited financials and transaction trails rather than one-page narratives; family-office VCC onboarding has stretched from weeks to two-to-four months for complex or higher-risk profiles; and EFIs decline onboardings far more often.

The evidence a well-run VCC keeps: an annual VCC-N01 file review, a beneficial-ownership register that reconciles to ACRA filings, EDD packs on a refresh cycle, annual director ML/TF training, a documented EFI escalation path and logged sanctions screening (including under the VCC Sanctions and Freezing of Assets Regulations 2020). Directors carry personal statutory and fiduciary liability, and a failure in any sub-fund exposes the entire umbrella.

# 05

## Setting up: process, timeline and costs

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Incorporation takes weeks; first NAV typically takes two to three months. Banking, not paperwork, is the silent deal-killer.

## 05 Setting up: process, timeline and costs

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### The eight steps

1. **Design the structure** — umbrella or standalone, number of sub-funds and share classes, own licence versus hosted manager.
2. **Appoint the fund manager** — the gating decision (see below).
3. **Assemble directors and service providers** — resident director, secretary, auditor, administrator, custodian, EFI.
4. **Reserve the name and draft the constitution** on ACRA's separate VCC portal (name fee S\$15, often same-day).
5. **Incorporate** — ACRA fee S\$8,000, plus S\$400 per sub-fund.
6. **Open bank and custody accounts** — usually the longest leg; each sub-fund is a fresh KYC exercise.
7. **Apply for 13O/13U in parallel** where applicable — the MAS award takes several months.
8. **Launch and strike first NAV.**

Indicative timeline on a hosted (third-party) manager

Workstream	Typical timing
Name reservation	Week 1 (often same day)
ACRA incorporation filing	Weeks 1-3
Manager appointment (hosted)	Weeks 1-4 (own licence: 4-6 months MAS review)
Service providers onboarded	Weeks 2-6
Banking and custody	Weeks 4-12+ — start day one
13O/13U award (parallel)	Several months from a complete submission
<b>End to end</b>	<b>~6-12 weeks; typically 2-3 months to first NAV</b>

### What it costs

Statutory ACRA fees (fixed)

Item	Fee
Name application	S\$15
VCC incorporation	S\$8,000
Sub-fund registration (each, one-time)	S\$400
Annual return	S\$1,600
Inward re-domiciliation transfer	S\$9,000

Professional costs (indicative 2026 ranges, SGD)

Item	Range
Incorporation & corporate-secretarial setup	S\$5,000–15,000 one-off
Hosted-manager sub-fund onboarding	From ~S\$10,000 setup, plus ongoing fee
Fund administration	~S\$15,000–40,000 / yr (scales with AUM)
Audit (mandatory, per sub-fund)	~S\$8,000–20,000 / yr
13O/13U application advisory	~S\$10,000–30,000 one-off
<b>All-in setup (standalone, hosted)</b>	<b>~S\$40,000–125,000 one-off (typically S\$50k–100k)</b>
<b>Annual run-rate (lean, hosted)</b>	<b>~S\$40,000–90,000+</b>
Running your own licensed FMC instead	Often S\$150,000–400,000+ / yr

### THE GRANT IS GONE

The VCC Grant Scheme — which once co-funded up to 70% of incorporation costs capped at S\$150,000, reduced to 30% capped at S\$30,000 in its final 2023–2025 extension — **closed to new applications on 15 January 2025**. There is no replacement. The fiscal case for the VCC now rests entirely on the 13O/13U/13D exemptions. Many guides and AI-generated answers still describe the grant as live; they are out of date.

## Hosted manager or your own licence?

Because every VCC needs a Permissible Fund Manager but the manager can be a third party, the standard on-ramp is to appoint an existing MAS-licensed manager as manager of record, retaining investment input through an advisory or sub-management arrangement. This avoids locking up S\$250,000 in regulatory base capital and waiting through a roughly six-month MAS licence review, and it compresses time-to-first-close from 9–15 months to 3–6 months. The hosted route generally remains cheaper below roughly S\$75–150 million of AUM, after which keeping the full management fee starts to justify an own licence. Note the IID 04/2025 constraint: the host must perform substantive management, and the individuals making decisions must be its appointed representatives.

Manager licence tiers (post-RFMC repeal, 1 Aug 2024)

Regime	Base capital	Key parameters
A/I LFMC	S\$250,000	Accredited/institutional investors; no AUM cap; RBC $\geq$ 120%; $\geq$ 2 SG-based professionals; ~6-month MAS review
Retail LFMC	S\$500,000 (S\$1M if managing a retail CIS)	Retail funds; heavier conduct requirements
VCFM	No regulatory minimum	Qualifying VC funds only; ~4-month review; $\geq$ 2 SG-based professionals
RFMC (repealed)	—	Repealed 1 Aug 2024; existing RFMCs transitioned to A/I LFMC via Form 1AR; S\$250M cap removed

## Where launches stall

Ranked by frequency: (1) **bank and custody onboarding** — 4–12+ weeks, each sub-fund a fresh KYC, digital-asset and mixed strategies drawing heavier scrutiny; (2) MAS fit-and-proper review where an own licence is pursued; (3) the substantive-management test — no asset-parking; (4) board composition and director liability, with independent-director fees rising; (5) AML/CFT ownership remaining with the VCC despite the EFI; and (6) treating economic substance as a setup fee when it is an ongoing annual cost of S\$200k–500k in local spending. The de-risking playbook: use a hosted manager unless AUM justifies a licence, run banking in parallel from day one, pre-clear unusual asset classes with banks, document substance, and budget the run-rate honestly.

# 06

## The tax regime: 13O, 13U, 13D and 13OA

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Award-based, conditional and tested every year. The October 2024 MAS circular rewrote the thresholds — and made most older guides obsolete.

## 06 The tax regime: 13O, 13U, 13D and 13OA

Singapore's fund tax incentives are a family of schemes under the Income Tax Act 1947, administered with MAS. Each exempts a qualifying fund's **specified income** (dividends, interest, distributions, disposal gains) from **designated investments**, provided the fund meets — and keeps meeting, every year — conditions on AUM, investment professionals and local business spending. Three principles recur throughout:

- The incentive **sits on top of a vehicle**; a company, VCC, LP or trust can hold it. A VCC qualifies exactly as a company does, and an award made at umbrella level covers its ring-fenced sub-funds.
- For 13O, 13U and 13OA the exemption is **switched on by a MAS award letter** — it is never automatic or self-assessed. 13D is the exception.
- The exemption is **conditional and annual**: AUM is tested at every financial year-end, headcount must be maintained, and the spending tier must be hit each year. A lapsed condition or material non-designated income can be taxed.

The four schemes compared (post-1 January 2025 rules)

	13O (Onshore)	13U (Enhanced Tier)	13D (Offshore)	13OA (LP)
<b>Vehicle</b>	SG company or VCC; SG tax resident	Any vehicle, onshore or offshore	Offshore, non-SG-resident	Singapore LP
<b>Minimum AUM</b>	S\$5M in designated investments	S\$50M	None	S\$5M
<b>AUM tested</b>	Each FY-end	At application + each FY-end	n/a	Each FY-end
<b>Investment professionals</b>	≥2 (≥1 non-family)	≥3 (≥1 non-family)	≥1 from FY ending 2027	≥2 at LP level
<b>Local business spending</b>	Tiered (below)	Tiered (below)	None	Tiered (below)
<b>MAS application</b>	Required	Required	No — self-assessed	Required
<b>Typical user</b>	SFOs, smaller onshore funds	Institutional funds, MFOs	SG manager of Cayman/BVI fund	PE/VC partnerships

Tiered local business spending (13O, 13OA and 13U; replaced the flat S\$200k)

Fund AUM	Minimum annual local spend
Below S\$250M	S\$200,000
S\$250M – S\$2B	S\$300,000
Above S\$2B	S\$500,000

Qualifying spend includes Singapore-based fund administration, audit, tax, legal, custody and local management fees — costs a genuine operation incurs anyway. Investment professionals must be Singapore tax-resident, paid above the MAS salary floor, with at least one non-family member.

## The October 2024 changes, in full

MAS's circular of 1 October 2024, effective 1 January 2025, rewrote the framework across 13D, 13O, 13OA and 13U:

- **AUM floors reset:** 13O/13OA at S\$5M in designated investments; 13U maintained at S\$50M — with the test now applied at the end of every financial year, not just at application.
- **Headcount formalised:** 13O/13OA  $\geq 2$  investment professionals; 13D  $\geq 1$  by FY ending 2027; 13U unchanged at 3.
- **Tiered local spending** replaced the flat S\$200,000.
- **13OA introduced**, extending 13O treatment to Singapore limited partnerships with proportional exemption for each LP's share of specified income.
- **Closed-end flexibility (opt-in):** AUM waiver after the 6th year; cumulative spending fulfilment by the 10th year; incentive ends after the divestment phase or 20 years, whichever is first.
- **Unified SFO/non-SFO rules:** 13O funds may retain pre-existing investments; AUM measured on designated investments rather than NAV; SPVs in 13U structures freed of separate economic criteria; strategy revisions now need only MAS notification, not approval.
- **Look-through** for partnerships partially invested in designated investments.
- **Grace period:** awards granted before 1 January 2025 have until the FY ending 2027 to comply; new applicants are assessed on current rules from the outset.

### COMMON ERROR

Many guides still quote **S\$20 million** as the 13O minimum. That is the pre-2025 figure. Since 1 January 2025 the floor is **S\$5 million in designated investments**, tested at each financial year-end. S\$50 million is the 13U threshold, not 13O.

## Designated investments and the property trap

The designated-investments list is deliberately broad: listed and (within limits) unlisted equities; bonds, notes and debt securities; fund units and interests; derivatives; deposits with approved financial institutions; certain loans, structured products and private investments. Specified income is the dividends, interest, distributions and disposal gains arising from them. The classic trap is **direct Singapore residential or commercial property**, which does not qualify — property exposure is instead held through shares or units that fall within the list. A fund that drifts into material non-designated income can find that portion taxed despite holding an award.

## What the exemption is worth

### WORKED EXAMPLE

A Singapore VCC with a S\$50M book earns S\$4,000,000 of qualifying income in a year. At the headline 17% corporate rate it would pay S\$680,000, retaining S\$3.32M. With a 13O or 13U award it pays nothing and retains the full S\$4M — an annual saving of **S\$680,000** (illustrative).

Two ancillary reliefs matter in practice. Under the **GST remission for funds** (currently running to 31 December 2029), a qualifying fund recovers most GST on its expenses at a fixed rate via a quarterly Statement of Claims to IRAS. And because VCC shares are issued and redeemed at NAV, no stamp duty arises on subscriptions and redemptions. Family-office-linked awards may also carry a **Capital Deployment Requirement** — broadly the lower of 10% of AUM or S\$10M into Singapore-linked eligible investments, with 1.5× or 2× multipliers crediting certain categories.

## Applying to MAS

The manager files the application (usually with a tax adviser or corporate-services firm) covering the fund and vehicle details, the manager's licence or exemption status, the identity, residency, remuneration and credentials of the investment professionals, projected AUM in designated investments, and a spending plan matched to the relevant tier; family-office applications also set out the investment mandate. From a complete submission, an award letter typically takes a few months — incomplete filings and query cycles are the main source of delay. The applicant does not need its own licence: funds routinely run under a third-party Permissible Fund Manager. The usual path is to start under 13O and apply afresh for 13U once AUM crosses S\$50M and a third professional is hired — over-reaching early merely raises cost and compliance risk.

# 07

## Family offices and the VCC

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More than 2,000 single family offices now hold MAS tax incentives. Roughly half of all live VCCs hold private family wealth — this is the vehicle's centre of gravity.

## 07 Family offices and the VCC

Singapore is Asia's leading family-office hub: MAS has reported more than 2,000 single family offices awarded tax incentives, up from a few hundred only a few years earlier, driven by wealth migrating from Greater China, Southeast Asia, India and increasingly Europe and the Middle East. The 1 January 2025 tightening — hard AUM floors, mandatory non-family professionals, tiered local spending — was calibrated to reward genuine substance over letterbox structures. The S\$5M–S\$50M band captures most new SFOs.

### SFO or MFO: whose money, and who pays for the machine?

A **single family office** manages one family's own assets. Managing funds solely for related corporations, it can usually rely on the **section 99(1)(b)** exemption under the Securities and Futures Act from holding a fund management licence — it is the related-corporations test, not the family relationship, that matters, and taking in even a friend's capital breaks it. The exemption is not applied for in isolation: MAS examines it as part of the 13O/13U application, so the licence position and the tax award are assessed together.

A **multi-family office** manages several families' wealth for fees — third-party fund management, requiring a CMS licence (typically A/I LFMC: S\$250,000 base capital, two-plus Singapore professionals, RBC  $\geq$ 120%, AML programme, ongoing MAS returns). That regulatory floor is precisely why families treat a Singapore MFO as a safer home for cross-border wealth than the largely unregulated MFO model elsewhere. MFOs commonly run a VCC umbrella with a ring-fenced sub-fund per client family, each sub-fund able to carry its own 13O/13U award. A middle path — the **embedded or hosted family office** — gives a family its own sub-fund on an MFO's umbrella, leaning on the host's licence and back office; the common trajectory is to start there and graduate to a standalone SFO.

### Why the VCC is the default family vehicle

One umbrella can carry a ring-fenced sub-fund per asset class, family branch or generation; Section 29 means a leveraged venture sleeve cannot endanger the legacy portfolio. Shares are issued and redeemed at NAV as members join or draw down; dividends can be paid out of capital; the register of members is not public. For succession, sub-funds or share classes can be allocated to heirs and rebalanced at NAV — wealth handed down inside one durable entity with no unwind, no fresh incorporation per heir, and no break in the tax structure. Combined with a family constitution and board, the VCC behaves like a private multi-generational holding-and-distribution structure that survives the founders.

### Costs and the worth-it threshold

Family office economics (indicative 2026 estimates, SGD)

Route	Setup	Annual run-rate
13O single family office	S\$300k–500k	S\$200k–400k
13U single family office	S\$500k–800k	S\$700k–1.5M
Multi-family office (operator)	S\$1.5M–5M	S\$1.5M–5M (the fee a family pays is far lower — that is the point)

Headcount dominates the cost stack: two or three Singapore-resident professionals above the MAS salary floor, then office, audit, administration, custody and compliance. There is no statutory minimum net worth, but the arithmetic is unforgiving: at S\$10M of assets a S\$500k run-rate is a 5% annual drag; at S\$20–50M it falls to roughly 1–2.5% and a dedicated SFO becomes viable; above S\$50M it drops below 1%. Rule of thumb: **a dedicated SFO starts to pay off at roughly S\$20–50M of investable assets**; below that, an MFO or EAM arrangement is usually the better answer — and the decision is reversible.

Typical end-to-end setup runs four to nine months: structuring (2–4 weeks), ACRA incorporation (1–3 weeks), the MAS 13O/13U application (3–6 months — the longest stage), with bank onboarding (1–3 months) and hiring run in parallel. The classic mistakes: quoting pre-2025 thresholds, underestimating the run-rate, treating the licence exemption as automatic, leaving banking to the end, chasing residency before the office stands up, and over-engineering — one sub-fund is often enough at the start.

## Residency: GIP, not an “investor visa”

Singapore has no scheme literally called an investor visa. The route is the **Global Investor Programme (GIP)**, administered by the EDB, which grants permanent residence directly to the principal and typically immediate family:

- **Option A — Business:** ~S\$10M into a new or expanding Singapore business.
- **Option B — GIP fund:** ~S\$25M into an EDB-approved fund investing in Singapore companies.
- **Option C — Family office:** an SFO with at least **S\$200M AUM**, of which at least **S\$50M deployed into Singapore-based categories** (listed equities, qualifying funds, direct investment in local businesses). The S\$50M can sit inside the same VCC the family already uses.

A non-refundable application fee of **S\$20,000** applies to all options since 5 May 2025. GIP's bar sits far above the 13O/13U minimums — it is genuinely a UHNW path, and a weak source-of-wealth narrative is the most common failure point. On approval the principal receives PR with a five-year re-entry permit, renewable only while the qualifying investment and substance are maintained. For most principals below the GIP bar, the pragmatic route is an **Employment Pass** through the family office — no investment threshold, with PR available later through the standard channel.

# 08

## External asset managers and the sub-fund platform

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Singapore is the world's fastest-growing EAM hub after Switzerland, with 80+ firms. When the LPOA model runs out of road, the VCC umbrella is the structural answer.

## o8 External asset managers and the sub-fund platform

An external asset manager (EAM) is an MAS-regulated firm that manages a client's investments while the assets remain in the client's own name at a custodian bank. The client signs a **limited power of attorney** — trade-only: buy, sell, rebalance, never withdraw or transfer. This tripartite model (client owns, custodian holds and executes, EAM manages for a fee) removes private banking's central conflict: the institution holding your money also earning from selling you products. Singapore hosts roughly **80+ EAM firms** as of 2026, many founded by former private bankers, custodians at the major private banks.

Private bank vs EAM vs MFO

	Private bank	EAM	Multi-family office
<b>Role</b>	Holds and manages	Manages only; assets at custodian	EAM scope + reporting, tax/estate coordination, succession, governance
<b>Economics</b>	Products, transactions, lending, custody	Fee on AUM; open architecture	Fee on AUM / retainer
<b>Typical minimum</b>	~US\$1–5M+	~US\$2–5M+	~US\$20–50M+
<b>Strengths</b>	Balance-sheet lending, deal access, one-stop	Conflict removed; relationship follows the manager	Whole-of-wealth coordination

### When the LPOA model runs out of road

Every new client means another custody account, more statements, more reconciliation. Individual accounts offer no pooled vehicle, no clean shared strategy, no fund-level track record — and **no fund-level tax treatment**: 13O/13U attaches to a qualifying fund, not a custody account. Onboarding, performance fees and reporting all scale poorly.

The structural answer is a **VCC sub-fund platform**: one umbrella, a Section 29 ring-fenced sub-fund per client or strategy, a shared administrator and auditor across the umbrella, fund-level NAV and track record, and access to 13O/13U on qualifying income. Pooling can make the AUM, headcount and spending thresholds easier to meet collectively than any single client could alone. Crucially, no own licence is needed on day one: the umbrella can run under an existing licensed Permissible Fund Manager, and the EAM can launch sub-funds in weeks.

### Licensing up

The graduation point arrives when AUM and revenue comfortably carry the A/I LFMC stack — S\$250,000 locked base capital, RBC  $\geq 120\%$ , two-plus Singapore-based fit-and-proper professionals, compliance framework, PI insurance, physical office and a roughly six-month MAS review (about four months for a VCFM) — and when keeping the full management fee beats sharing economics with a platform manager. The existing VCC keeps running under its current manager and simply switches once the licence is granted. Filter for which clients actually benefit from 13O/13U structuring: clear benefit above S\$5M (ideally toward S\$50M+) of Singapore-

managed taxable assets; marginal in the middle, where pooling may tip the balance; no benefit for non-resident, purely offshore or small mandates, which are better left on plain LPOA custody.

# 09

## Re-domiciliation of funds to Singapore

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Keep the legal entity, the track record and the contracts — change the flag. The inward transfer regime, costs and the six-stage timeline.

## 09 Re-domiciliation of funds to Singapore

The VCC Act allows a comparable foreign corporate fund to transfer its registration into Singapore as a VCC — a change of domicile, not a wind-up. The fund keeps its legal identity, track record, contracts, assets, investors and history. Two conditions: the home jurisdiction must permit outward transfer, and the entity must be comparable to a VCC. The best-trodden route is from the **Cayman Islands** — exempted companies and especially SPCs, whose segregated portfolios map naturally onto VCC sub-funds — followed by BVI, Bermuda and Mauritius. Unit trusts and limited partnerships cannot re-domicile (they are not bodies corporate); they instead establish a fresh VCC and migrate assets.

The drivers are substance (global substance rules have made brass-plate domiciles costlier to defend), credibility with investors under MAS oversight, and access to Singapore's 90+ double-tax treaties — treaty access generally follows from Singapore tax residence via a Singapore-licensed manager.

Re-domiciliation: costs and timeline

Item	Detail
ACRA transfer fee	S\$9,000, plus S\$400 per sub-fund
Home-jurisdiction exit (e.g. Cayman)	~US\$5,000–15,000+ (illustrative)
Singapore legal & corporate services	~S\$30,000–80,000+ — usually the largest line
Timeline	~3–6 months across six stages: eligibility (1–3 wks); Singapore provider stack (3–6 wks); application prep (3–6 wks); ACRA filing and review (4–8 wks); home deregistration (2–6 wks); VCC registration finalised (2–6 wks)

Common mistakes: budgeting on the ACRA fee alone; appointing the Singapore manager late; underestimating the home-jurisdiction exit; ignoring the 13O/13U application clock; and treating the move as purely legal when banking and custody re-papering must track it. In practice, re-domiciliation has been used dozens of times rather than hundreds — most managers instead launch a new VCC alongside the offshore vehicle, keeping Cayman as a feeder for US tax-exempt LPs.

# 10

## The 2026 landscape: adoption and outlook

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1,400+ live vehicles, a 3:1 sub-fund ratio on platform umbrellas, private credit surging — and a consolidated timeline of every regulatory change since 2018.

## 10 The 2026 landscape: adoption and outlook

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**1,200**

VCCS — MAS AM SURVEY 2024 (PUBLISHED JUL 2025)

**2,695**

SUB-FUNDS — SAME SURVEY; UP FROM 2,158 A YEAR EARLIER

**628**

REGULATED FUND MANAGEMENT COMPANIES

**+21%**

GROWTH IN PRIVATE-CREDIT INVESTMENTS, 2024

Headline counts understate the growth: on platform umbrellas the sub-fund-to-umbrella ratio is trending past 3:1, so much of the expansion is invisible in the VCC count itself. The 2026 growth engines are multi-family offices (whose economics work above roughly S\$200–300M of aggregate AUM), private credit and private equity sub-funds (Asia private-credit AUM tracking past US\$120 billion on record 2025–26 fundraising), and emerging managers launching on hosted platforms. Hedge-fund VCCs are steady, including re-domiciliations from the Caribbean.

Against Hong Kong's open-ended fund company — still in the low hundreds despite a live grant of up to HK\$1M — Singapore leads adoption by roughly five to seven times, though the quarterly-flow gap is narrowing. Tokenisation is no longer theoretical: under Project Guardian, tokenised VCC sub-funds for money-market and short-duration fixed-income strategies reached production by 2026, with private-market tokenisation still in pilots.

Consolidated regulatory timeline, 2018–2026

Date	Event
1 Oct 2018	VCC Act passed by Parliament
Sep 2019	Pilot programme with 18 fund managers
14–15 Jan 2020	VCC framework in force; MAS–ACRA launch
Jun 2023	DBS launches first bank-backed MFO on a VCC
15 Aug 2023	S\$3 billion money-laundering arrests; AML reset begins
1 Aug 2024	RFMC regime repealed; transition to A/I LFMC
1 Oct 2024	MAS circular rewrites 13O/13U/13D; 13OA created
1 Jan 2025	New tax conditions effective: S\$5M/S\$50M floors, tiered spending
15 Jan 2025	VCC Grant Scheme closes to new applications
26 Jun 2025	MAS Circular IID 04/2025 on VCC governance
16 Jul 2025	AM Survey 2024: 1,200 VCCs, 2,695 sub-funds, S\$6.07T AUM
Mid-2026	1,400+ live VCCs (industry tracking); 25–35 new per month

Official figures are from MAS publications (Asset Management Surveys 2023 and 2024; Circular IID 04/2025). Mid-2026 counts are industry tracking estimates, not MAS-official numbers.

# 11 Next steps & about VCC Singapore

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## A practical sequence

1. **Decide what you are building** — fund platform, family office or client pooling vehicle — and whether a VCC (and which form: standalone or umbrella) fits the mandate.
2. **Settle the manager question first.** Hosted Permissible Fund Manager for speed and cost; own licence where AUM justifies it.
3. **Map the tax position** — 13O, 13U, 13D or 13OA — against realistic AUM, headcount and spending, on post-2025 rules.
4. **Start banking and custody on day one.** It is the longest leg and the most common cause of a stalled launch.
5. **Budget the run-rate, not just the setup** — audit, administration, substance spending and headcount recur every year, and conditions are tested at every financial year-end.

### ABOUT VCC SINGAPORE

VCC Singapore ([vccsingapore.com](http://vccsingapore.com)) is an independent reference for fund managers, family offices and their advisers — covering the VCC structure, the 13O and 13U tax incentives, setup and costs, with interactive tools (cost calculator, timeline estimator, 13O/13U eligibility checker, VCC-vs-Cayman comparator) and introductions to MAS-licensed specialists where appropriate. We partner with MAS-licensed Capital Markets Services fund managers to help qualified clients set up VCCs. We qualify by mandate, not by size.

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