IMPLEMENTATION OF SINGLE FAMILY OFFICE FRAMEWORK

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Category: CNPupdates

Introduction

In a recent media release, MAS announced that the revised framework for single family offices (‘**SFOs**’) took effect on 15 June 2026. The SFO Framework was first proposed in a consultation paper published in July 2023, to which MAS published its Response to Feedback Received on Proposed Framework for Single Family Office on 6 November 2024, facilitating a straight through class exemption from licensing for all qualifying SFOs operating in Singapore. It was introduced to strengthen surveillance and defence against money laundering risks in the SFO sector. This agnostic class exemption removes the need to rely on existing class exemptions from licensing requirements under the Securities and Futures Act or apply to MAS for case-by-case exemptions. By extension, MAS no longer intends to grant case-by-case exemptions to SFOs that do not meet the qualifying criteria, unless there are exceptional reasons.

Qualifying conditions

To qualify for the class exemption, an SFO must be incorporated in Singapore. Shareholders may be family members, a trust or foundation for family members or charitable organisations, key employees or any an entity whose shares (or equivalent share of ownership) are held by the foregoing (“eligible entity”), and at commencement of operations the SFO must conduct fund management for or on behalf of one or more members of a single family or an eligible entity whose assets at that time originated from one or more members of the family.

Acknowledging the use of financial incentives to promote interest alignment, better performance and long-term commitment of employees, MAS will allow non-family key employees to own a non-controlling stake of up to 10% in the SFO and up to 10% of assets under management (AUM) by the SFO can be attributed to them.

Compliance requirements

An SFO that meets the requirements will need to notify MAS of its operations and confirm that it is in compliance with the qualifying criteria under the class exemption within 14 days of commencing operations in Singapore. Declarations will need to signed by a family member and a director to confirm the SFO complies with the regulations and fit and proper requirements, the absence of any investigation by authorities, or any civil or criminal proceedings whether in Singapore or elsewhere, and compliance with sanctions laws.

An SFO and its Singapore-incorporated fund vehicle(s) are expected to open and maintain an account with a MAS-licensed bank in Singapore that will perform anti-money laundering (‘**AML**’) checks on the SFO. Foreign-incorporated fund vehicle(s) may open and maintain an account with a regulated bank in a jurisdiction that complies with AML and countering of financing of terrorism requirements consistent with the standards set by the Financial Action Task Force.

An SFO will also have to file an annual return with information on the total AUM and the name of its bank within 4 months after the end of each financial year.

Existing SFOs

Existing SFOs that intend to continue operating in Singapore will have one year from 15 June 2026 to satisfy the conditions under the licensing exemption and to file the Notification with MAS.

SFOs may wish to seek advice from professional firms, should they require assistance on compliance with the conditions under the licensing exemption.

Revised Framework for Single Family Offices to take effect on 15 June 2026

MAS to Strengthen Defence Against Money Laundering Risks in Single Family Offices