



MAS BROADENS TAX INCENTIVES TO ENCOURAGE SINGLE FAMILY OFFICES TO INVEST IN SINGAPORE

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Authors: Quek Li Fei , Andrew Eng

The Monetary Authority of Singapore (“MAS”) announced on 5 July 2023 that incentives for single family offices (“SFOs”) will be adjusted to encourage them to deploy capital more purposefully for the benefit of Singapore and the broader region. The enhancements will be made in five areas:

- a. Blended Finance Structures – MAS will encourage SFOs to participate in blended finance structures that support the region's net zero carbon transition. In this regard, three new features will be introduced, namely, (a) broadening the scope of eligible investments to include blended finance structures; (b) increasing recognition of concessional capital; and (c) recognising grants from SFOs to support such blended finance structures.
- b. Climate-Related Projects – For the purpose of assessing if the SFO has met MAS' investment requirement, MAS will recognise climate-related investments made by SFOs, not only in Singapore but anywhere in the world, in order to address global climate change issues.
- c. Local Investments – SFOs will be encouraged to invest in Singapore companies and the local equity market, with two enhancements to support this goal, namely, (a) expanding the scope of recognised investments to include all investments in non-listed Singapore operating companies; and (b) recognition of twice the amount invested in Singapore-listed equities as well as eligible Exchange Traded Funds and unlisted funds investing primarily in Singapore-listed equities, for the purpose of meeting investment requirements.
- d. Job and Value Creation – MAS will encourage SFOs' contribution to job and value creation in Singapore through two enhancements, namely, (a) mandatory hiring of at least one non-family member investment professional; and (b) requiring SFOs to meet their business spending requirement solely from local spending, where this previously could be met with overseas spending.
- e. Philanthropy – Singapore will encourage SFOs to conduct philanthropic activities both locally and overseas. MAS will recognise donations to local charities alongside normal business spending. The Philanthropy Tax Incentive Scheme for family offices will also be introduced, allowing qualifying donors to claim tax deductions for overseas donations made through local intermediaries.

These tax incentive adjustments are part of MAS' continuing efforts to support the growth of family offices in Singapore, create more jobs, channel capital into the country's enterprises and encourage more environmental forward and charitable endeavours.

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