

Single Family Office- Revised Regulatory Framework

Single Family Offices (SFOs) and the ultra-wealthy families wishing to set up SFOs will find the revised framework clear, user-friendly, pragmatic and efficient. This bodes well for Singapore as a major asset and wealth management hub, as it competes to attract more capital and talent.

Introduction

On 12 June 2026, The Monetary Authority of Singapore (MAS) announced the long-awaited revised framework for SFOs. This is not a new framework nor a new set of conditions but an augmentation of existing framework with more prescriptive conditions and requirements including filings with the MAS. The effective date is 15 June 2026, giving existing SFOs a one-year transition period. Now, we have a streamlined process for all SFOs and this should reduce time to market.

Conditions for SFO to Operate in Singapore

- a) The SFO must only conduct fund management for one family. This means for or on behalf of family members, including family trusts and corporations wholly owned by, and for the sole benefit of the family (including charitable organisation(s) funded exclusively by the family). This can also include key SFO employees (Executive Directors, Chief Executive Officer, Chief Financial Officer and investment professionals).
- b) The assets originating from key SFO employees must not exceed 10% of the total value of the SFO's assets under management in aggregate.
- c) The assets managed by the SFO can be held via a trust, foundation or any other legal structure, however the funding must originate exclusively from members of the same family and key SFO employees, who are allowed to own a non-controlling stake of up to 10%.
- d) The SFO must be incorporated in Singapore.
- e) The SFO and its fund vehicle(s) must each open and maintain a bank account with a bank licensed by the MAS. Where there are foreign-incorporated fund vehicle(s), they may open and maintain an account with a bank licensed by MAS in Singapore, or with a regulated bank in a jurisdiction that complies with anti-money laundering and countering of financing of terrorism (AML/CFT) requirements consistent with the standards set by the Financial Action Task Force (FATF).
- f) The SFO must comply with prescribed conditions set out in paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (SF(LCB) Regs). These are essentially described in sub-paragraphs (a) to (e) above.
- g) The SFO must submit to MAS its first annual return within 4 months from the end of the SFO's current financial year, in respect of that financial year.

"Family member" refers to all lineal descendants of a common ancestor (living or deceased), including current or former spouses, adopted children, stepchildren, parents-in-law, and siblings-in-law. The common ancestor must not be more than five generations removed from the youngest generation that established the SFO in Singapore.

Notification Process

A new SFO must file a Notice of Commencement of Business (Notification) with MAS using a prescribed form within 14 days of commencement of its operations in Singapore. SFOs that were in operation prior to 15 June 2026 must file the Notification by 15 June 2027 if they wish to continue operations here.

The Notification requires some basic information about the family, the SFO and the asset under management. As part of the Notification, a declaration is required from a family member who provided the assets to be managed by the SFO, and a director of the SFO. The declaration confirms, amongst other things, certain information about the SFO and that the SFO is able to comply with the conditions of the licensing exemption provided under the SF(LCB)Regs.

This revised framework is structure agnostic and would cater to a wide range of SFOs. As such, the MAS is not expected to grant exemptions unless there are exceptional reasons.

Checks and Monitoring by Banks

The SFO and its Singapore-incorporated fund vehicle(s) are required to open and maintain accounts with banks licensed by MAS in Singapore. If the SFO has a foreign-incorporated fund vehicle, the fund vehicle must open and maintain an account with a bank licensed by MAS in Singapore or with a regulated bank in a jurisdiction that complies with AML/CFT requirements consistent with the standards set by the FATF.

Banks licensed by MAS are required under separate MAS regulations to conduct the customer due diligence and AML/CFT checks on its customers. As such, the banks as part of their routine operations will conduct such checks on the SFOs and their fund vehicles and also perform ongoing monitoring on the SFOs and their fund vehicles.

Additional Substantive Operational Burden?

When we study the revised framework in detail, we will see there is no additional substantive operational burden on the SFO nor the fund vehicle(s).

Wealthy families that choose Singapore to domicile their SFO and fund vehicle(s), typically house their capital and talent here, tapping into the asset and wealth management ecosystem, using the banking system, applying for and enjoying the Section 13O or 13U tax incentives and double tax treaty benefits. In doing so, the SFO would have had interactions with the MAS and banks licensed by the MAS. This would mean that the SFO would already fulfil most of the revised framework's conditions. The SFO and fund vehicle(s) would invariably have bank, trading and custodian accounts with banks and other financial institutions licensed by MAS. Such banks and financial institutions would in the ordinary course of business conduct customer due diligence and AML/CFT checks and also perform ongoing monitoring on the SFO and the fund vehicle(s).

The additional procedural requirement of the Notification and submission of annual returns are fairly straightforward.

Logic suggests that credible and astute wealthy patriarchs/matriarchs would hire their trusted family members or external professionals, who come with proper qualifications, relevant experience, and who are fit and proper to take on the responsibility of managing the family's wealth. The SFO and its senior advisers would also adopt best practices and adhere to corporate governance when operating the SFO and the fund vehicle(s). To this end, the SFO should have no issue completing the Notification and submitting the annual returns.

Conclusion

In a volatile and everchanging world, finding the right asset and wealth management centre for the SFO and fund vehicle(s) is a crucial and strategic decision that must be made by the wealthy families. Accessibility to good asset and wealth management and banking ecosystems, and tax incentives and double tax treaty benefits is one part of the equation. Sensible, clear and pragmatic regulations, a strong rule of law, and a stable social, political and economic environment form the other part. One other component cannot be underestimated, that is how secure the capital and asset will be, and how safe and happy the talent and their family will feel. In a world of flux, Singapore provides a good balanced and attractive solution.

How We Can Assist You

Our firm's Asset & Wealth Management practice has advised many Singaporean, Asian and European family offices and ultra wealthy families in finding suitable, compliant and efficient structures for the SFO and the family investment funds/structures. We have also advised on and successfully applied for numerous Sections 13O and 13U tax incentives for our clients. As for investment structures, we have utilised Variable Capital Company funds, trusts, limited partnerships and Cayman Segregated Portfolio Companies or a combination of these structures to achieve the best results. Where SFO matures and desires to apply for the Capital Markets Services Licence (CMS Licence) for fund management to manage third parties assets, we have an excellent track record in securing such licences for our clients.

This Client Update was authored by our Head of Asset & Wealth Management Practice, Tan Woon Hum.

If there are any queries concerning your status as an SFO, or if you are considering setting up a new SFO or a family investment structure/fund, or wish to consider applying for the CMS licence, feel free to reach out.



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