DREW & NAPIER

MAS Revised Licensing Exemption Framework for Single Family Offices Takes Effect from 15 June 2026

22 June 2026

LEGAL UPDATE

In this Guide

The Monetary Authority of Singapore (“**MAS**”) has introduced a revised licensing exemption framework for single family offices (“**SFOs**”) operating in Singapore, which took effect on 15 June 2026.

The key change is that the framework is structure-agnostic and provides an automatic class exemption from licensing under the Securities and Futures Act 2001 (“**SFA**”) for qualifying SFOs. Qualifying SFOs need only notify MAS of their operations, provided they satisfy the applicable conditions.

Existing SFOs operating in Singapore have a one-year transitional period, until 15 June 2027, to comply with the revised framework and file the relevant notification with MAS.

This revised licensing exemption framework is separate from, and does not affect, the requirements under Singapore’s sections 13D, 13O and 13U tax incentive schemes.

Overview of the Revised Framework

The revised framework introduces an automatic class exemption from licensing under the SFA. The previous approach often required SFOs to consider whether their structure fell within an existing exemption or whether a case-by-case exemption from MAS was required. Under the revised framework, qualifying SFOs can rely on the class exemption, provided they satisfy the prescribed criteria and complete the notification process.

Qualifying Conditions

To qualify for the licensing exemption, an SFO must satisfy the prescribed conditions under the revised framework.

Broadly, an SFO must:

- be incorporated in Singapore;
- open and maintain an account with an MAS-licensed bank;
- ensure that the Singapore-incorporated fund vehicle(s) for which it manages assets also opens and maintains an account with an MAS-licensed bank; and
- conduct fund management only for, or on behalf of, permitted persons or entities.

The permitted persons or entities are:

- family members, including family trusts and corporations wholly owned by, and for the sole benefit of, the family;
- charitable organisation(s) funded exclusively by the family; and/or
- key employees of the SFO, subject to the applicable 10% limit.

Where the SFO manages the assets of a foreign-incorporated fund vehicle, the foreign-incorporated fund vehicle must open and maintain an account with either an MAS-licensed bank in Singapore or a regulated bank in a jurisdiction that complies with anti-money laundering and countering the financing of terrorism ("**AML/CFT**") requirements consistent with standards set by the Financial Action Task Force ("**FATF**").

Structure-Agnostic Framework

A key feature of the revised framework is its structure-agnostic approach. MAS recognises that SFOs may be held through different ownership structures. An SFO may be held via a trust, foundation or other legal structure, provided that the funding of the SFO originates exclusively from members of the same family and key employees, who are permitted to own a non-controlling stake of up to 10%.

This provides greater flexibility for families with trust, foundation, corporate or other wealth-holding arrangements. Previously, the ownership structure of an SFO could determine whether it could rely on an existing exemption or whether a case-by-case exemption from MAS was required. The revised framework provides a clearer and more streamlined route for qualifying SFOs to rely on the licensing exemption.

Definition of "Family Member"

The revised framework permits an SFO to conduct fund management for, or on behalf of, key employees, subject to limits.

For this purpose, key employees comprise executive directors, the Chief Executive Officer, the Chief Financial Officer and investment professionals.

However, assets originating from key employees must not exceed 10% of the total value of the SFO's assets under management in aggregate.

MAS also permits key employees to own a non-controlling stake of up to 10% in the SFO.

Where a key employee ceases to be employed by the SFO, MAS has indicated that a one-year time allowance will be provided for the former employee to divest investments managed by the SFO.

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Notification Requirement

A new SFO must file a Notice of Commencement of Business with MAS within 14 days of commencement of operations in Singapore.

An existing SFO that commenced business in Singapore before 15 June 2026 and intends to continue operating in Singapore must satisfy the conditions under the licensing exemption framework and file the notification by 15 June 2027.

The notification requires information including the amount of total assets managed by the SFO, the name(s) of the fund vehicle(s), and the name(s) of the Singapore banks with whom the SFO and its fund vehicle(s) have opened and maintained accounts. There is no need to provide information on the foreign-licensed bank with which a foreign-incorporated fund vehicle may maintain an account.

The notification must be accompanied by a declaration confirming that:

- the SFO satisfies all the conditions and restrictions set out in paragraph 5(1)(ba) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations;
- the ultimate beneficial owners, CEO and directors of the SFO are:
  - fit and proper and in compliance with all laws; and
  - not the subject of any investigation or criminal proceedings, or any proceedings commenced by governmental and regulatory agencies, whether in Singapore or elsewhere;
- the ultimate beneficial owners, CEO and directors of the SFO have never been convicted of a serious crime or been involved in money laundering, terrorism financing or proliferation financing; and
- the SFO does not deal with, and will not engage in any activity with, designated persons or entities, including individuals or entities in the United Nations sanctions lists or the relevant MAS lists, whether directly or indirectly.

Annual Return

Following the notification, SFOs are required to file an annual return with MAS within four months from the end of every financial year.

The annual return requires the SFO to declare that it continues to satisfy all the conditions and restrictions of the licensing exemption.

Similar to the notification, the annual return requires information including the amount of total assets managed by the SFO, the name(s) of the fund vehicle(s), and the name(s) of the Singapore banks with whom the SFO and its fund vehicle(s) have opened and maintained accounts. There is no need to provide information on the foreign-licensed bank with which a foreign-incorporated fund vehicle may maintain an account.

Relationship with SFO Tax Incentive Schemes

The revised licensing exemption framework is separate from, and does not affect, the requirements under Singapore's Sections 13D, 13O and 13U tax incentive schemes.

Transitional Period for Existing SFOs

Existing SFOs operating in Singapore have a one-year transitional period, until 15 June 2027, to comply with the revised framework.

During this period, they should review their structures and operating arrangements, assess whether they satisfy the conditions of the revised exemption framework, and prepare for the notification and ongoing annual return requirements.

We would be pleased to assist with assessing whether an SFO qualifies for the licensing exemption, as well as preparing and submitting the requisite notifications and annual returns.

How Drew & Napier LLC can assist

Drew & Napier's Tax and Private Client Services Practice Group regularly advises family offices, private wealth structures and ultra-high-net-worth families on Singapore regulatory and tax requirements. We can assist in assessing whether an SFO qualifies for the revised licensing exemption framework, reviewing existing structures against the applicable conditions, and advising on any restructuring or implementation steps that may be required.

We can also assist with the preparation and submission of the required notifications and annual returns to MAS, as well as advise on the interaction between the revised licensing exemption framework and Singapore's Sections 13D, 13O and 13U fund tax incentive schemes. Our team combines regulatory, tax and private wealth expertise to provide practical and commercially focused advice for family offices operating in Singapore.

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Special thanks to Kyra Tan, Legal Intern, for her diligent assistance with this publication.

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