

No. S 177**VARIABLE CAPITAL COMPANIES ACT 2018****VARIABLE CAPITAL COMPANIES
(MAXIMUM AMOUNT PAYABLE IN PRIORITY
IN WINDING UP) REGULATIONS 2026****ARRANGEMENT OF REGULATIONS****Regulation**

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In exercise of the powers conferred by section 165 of the Variable Capital Companies Act 2018, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations are the Variable Capital Companies (Maximum Amount Payable in Priority in Winding Up) Regulations 2026 and come into operation on 1 April 2026.

Prescribed amount where VCC is wound up

2.—(1) Subject to paragraph (2), the prescribed amount for the purposes of section 203(2) of the IRDA as applied by section 130 of the Variable Capital Companies Act 2018 (called in these Regulations the VCC Act), in the case of the winding up of a non-umbrella VCC, is the lower of the following for each employee:

- (a) 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the VCC;
- (b) \$13,000, or an amount that is 5 times the amount (if any) prescribed by the Minister charged with the responsibility

for manpower under section 35(b) of the Employment Act 1968, whichever is the higher.

(2) Where the amounts in paragraph (1)(a) and (b) are the same, the prescribed amount for each employee is equal to either of those amounts.

(3) Subject to paragraph (4), the prescribed amount for the purposes of section 203(2) of the IRDA as applied by section 130 of the VCC Act, in the case of the winding up of an umbrella VCC, is the lower of the following for each employee:

- (a) 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the VCC, after deducting from it the total amount of that salary that has been allocated to the sub-funds of the VCC under section 29(3) of the VCC Act;
- (b) the amount A in paragraph (4).

(4) The amount A mentioned in paragraph (3) is computed by the formula

$$B \times \frac{C}{D},$$

where —

- (a) B is \$13,000, or an amount that is 5 times the amount (if any) prescribed by the Minister charged with the responsibility for manpower under section 35(b) of the Employment Act 1968, whichever is the higher;
- (b) C is 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the VCC, after deducting from it the total amount of that salary that has been allocated to the sub-funds of the VCC under section 29(3) of the VCC Act; and
- (c) D is 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the VCC.

(5) Where the amounts in paragraph (3)(a) and (b) are the same, the prescribed amount for each employee is equal to either of those amounts.

Prescribed amount where sub-fund is wound up

3.—(1) Subject to paragraph (3), the prescribed amount for the purposes of section 203(2) of the IRDA as applied by section 33(2) of the VCC Act is the lower of the following for each employee:

- (a) the part of 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the umbrella VCC of the sub-fund, that has been allocated under section 29(3) of the VCC Act to the sub-fund being wound up;
- (b) the amount F in paragraph (2).

(2) The amount F mentioned in paragraph (1) is computed by the formula

$$G \times \frac{H}{I},$$

where —

- (a) G is \$13,000, or an amount that is 5 times the amount (if any) prescribed by the Minister charged with the responsibility for manpower under section 35(b) of the Employment Act 1968, whichever is the higher;
- (b) H is the part of 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the umbrella VCC of the sub-fund, that has been allocated to the sub-fund under section 29(3) of the VCC Act; and
- (c) I is 5 months' salary (whether for time or piecework) in respect of services rendered by the employee to the umbrella VCC of the sub-fund.

(3) Where the amounts in paragraph (1)(a) and (b) are the same, the prescribed amount for each employee is equal to either of those amounts.

Revocation and saving and transitional provision

4.—(1) Revoke the Variable Capital Companies (Maximum Amount Payable in Priority in Winding Up) Regulations 2020 (G.N. No. S 24/2020).

(2) Despite paragraph (1), the Variable Capital Companies (Maximum Amount Payable in Priority in Winding Up) Regulations 2020 as in force immediately before 1 April 2026 applies to or in relation to the following:

- (a) an order, made before 1 April 2026, for the winding up of a VCC under section 216(2)(f) of the Companies Act 1967 as applied by the old section 142 of the VCC Act;
- (b) an event mentioned in the old section 127(2)(a) or (b) or (3)(a) or (b) of the VCC Act that occurred before 1 April 2026;
- (c) an application made before 1 April 2026 for the winding up of a VCC or a sub-fund of an umbrella VCC, under the repealed section 253 of the Companies Act 1967 as applied by the old section 33 or 130 (as the case may be) of the VCC Act;
- (d) a voluntary winding up that commences (within the meaning of the repealed section 291(6) of the Companies Act 1967 as applied by the old section 33 or 130 of the VCC Act) before 1 April 2026.

(3) In paragraph (2), a reference to an old provision of the VCC Act is to that provision of the VCC Act that is in force immediately before 1 April 2026.

Made on 28 March 2026.

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