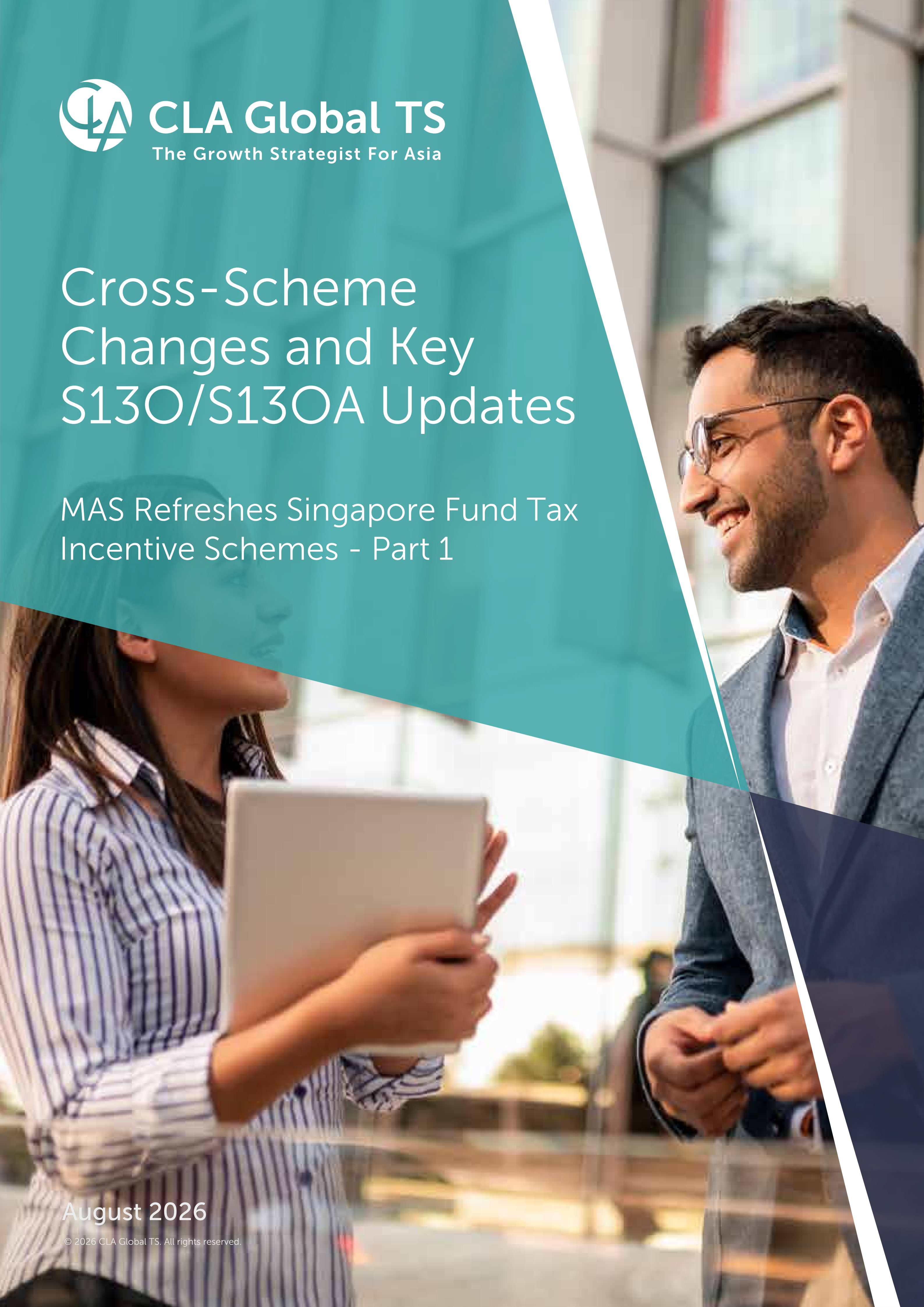

CLA Global TS
The Growth Strategist For Asia

Cross-Scheme Changes and Key S13O/S13OA Updates

MAS Refreshes Singapore Fund Tax Incentive Schemes - Part 1

August 2026

As Singapore continues to strengthen its position as a leading international fund management centre, the Monetary Authority of Singapore ("**MAS**") has on, 31 July 2026, introduced a number of refinements to the fund tax incentive schemes under Sections 13D, 13O, 13OA and 13U of the Income Tax Act 1947. The changes seek to continue enhancing Singapore's competitiveness as a fund management and wealth management hub whilst attempting to reduce compliance burdens.

In this article, we will be focusing on the changes applicable across multiple schemes (S13D, S13O, S13OA and S13U), starting with the specific updates to the S13O/S13OA scheme.

Changes applicable across multiple schemes (S13D, S13O, S13OA and S13U)

Removal of 5% Cap on Physical Investment Precious Metals ("IPMs") as Designated Investments

Previously, investments in physical IPMs would qualify as Designated Investments only if they did not exceed 5% of the fund's total investment portfolio. With effect from 1 August 2026, MAS has removed this restriction, providing funds with greater flexibility to invest in physical IPMs as part of their investment strategy and portfolio diversification efforts.


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Section 13O/OA changes for non-Single Family Office ("non-SFO") funds

Removal of Annual Minimum AUM Requirement for non-SFO funds

Existing requirement

The S13O non-SFO funds must have at least S$5 million in AUM comprising investments in DI, **as at the end of each financial year ("FY").**

S13O Non-SFO funds with awards commencing prior to 1 January 2025:

- Such funds are required to fulfil the AUM in DI requirement from FY ending in 2027 (Year of Assessment ("YA") 2028) (inclusive).

S13O Non-SFO funds with awards commencing between 1 January 2025 (inclusive) and FY ending 2026:

- Such funds are required to fulfil the AUM in DI requirement by the end of the third year of the incentive and to maintain it in every FY thereafter.

S13O Non-SFO funds with awards commencing in FY ending in (or after) 2027:

- Such funds are required to fulfil the AUM in DI requirement by the end of the third year of the incentive and to maintain it in every FY thereafter.

Changes to be applied retrospectively from 1 January 2025

S13O/OA non-SFO fund with award commencing on or after 1 January 2025 must have a minimum AUM in DI of S$5 million **at the point of application ("S$5m AUM in DI entry condition**").

A S13O/OA non-SFO fund that does not meet the S$5m AUM in DI entry condition is granted a grace period to meet the condition; specifically, it is permitted to meet the S$5m AUM in DI entry condition by the end of the basis period of the third YA of the award, failing which the award will be revoked with effect from the award commencement date.

There is now no annual minimum AUM in DI condition to qualify for the tax exemption in subsequent YAs.

Section 13O changes for new awards for Single-Family Office ("SFO") funds approved on or after 1 August 2026

Investment Professional

Existing requirement

2 qualifying IPs (with at least 1 qualifying IP who is not a family member of the beneficial owner(s) of the S13O/OA fund) employed by the SFO at the point of application and throughout the incentive period.

Revised requirement

To give SFOs more time to hire their initial IPs, SFO fund may **apply for the S13O/OA scheme with the SFO employing only 1 qualifying IP** (who may be family members or otherwise).

The SFO fund must ensure that the SFO employs at least 2 qualifying IPs (of whom at least 1 qualifying IP is a non-family member) by the end of the basis period of the first YA of the S13O/OA award, failing which the award will be revoked with effect from the award commencement date.

For subsequent YAs, the SFO must employ at least 2 qualifying IPs throughout each basis period for the SFO fund to avail itself of the tax exemption in the corresponding YA.

Asset Under Management ("AUM") in Designated Investment ("DI")

Existing requirement

S13O/OA SFO fund must have at least S$20 million of AUM in DI at the point of application, and **throughout** the incentive period.

Revised requirement

To reduce the compliance burden associated with continuous AUM tracking, the SFO fund will only be required to report that it meets the minimum AUM in DI threshold at the point of application and **at the end of each basis period.**

Streamlined Capital Deployment Requirement ("CDR")

Existing requirement

The S13O/OA SFO fund must invest at least the lower of (i) 10% of its AUM or (ii) S$10 million in:

- Option 1: Equities, real estate investment trusts, Business Trusts, or ETFs listed on exchanges approved by MAS pursuant to Section 9 of the Securities and Futures Act 2001
- Option 2: Qualifying Debt Securities
- Option 3: Non-listed funds distributed by licensed / registered financial institutions in Singapore
- Option 4: Investments into non-listed Singapore-incorporated operating companies with operating business(es) and with substantive presence in Singapore
- Option 5: Climate-related investments
- Option 6: Blended finance structures with substantial involvement of entities in Singapore.

The fund must meet the CDR by the end of the first full financial year after the commencement date of the award and as at the end of each subsequent financial year.

Revised requirement

The Section 13O/OA SFO fund is required to meet the CDR by investing in specified investments, at the end of the basis period relating to the first full Year of Assessment after the commencement date of the Section 13O/OA award and thereafter at the end of each of subsequent basis period to avail itself of the tax exemption for the corresponding YA.

However, the **list of options for specified investments is now streamlined to 3 options**.

Specifically, the S13O/OA SFO fund shall invest at least the lower of (i) 10% of its AUM in DI; or (ii) S$10 million, in the following:

- Option 1: Listed on approved exchanges (approved by MAS pursuant to Section 9 of the Securities and Futures Act 2001)
- Option 2: Distributed (e.g., sold, marketed) by MAS-licensed financial institutions in Singapore, excluding equities listed outside of Approved Exchanges; and/or
- Option 3: Non- listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore.

In addition, certain Singapore-focused investments will benefit from enhanced recognition through a 2x multiplier when determining compliance with the CDR, including:

- Equities listed on Approved Exchanges;
- Funds investing substantially in Singapore-listed equities;
- Blended finance instruments distributed by licensed financial institutions in Singapore; and/or
- Investments in non-listed Singapore-incorporated companies with operating business(es) and with substantive presence in Singapore.

Local Business Spending ("LBS") requirement

Existing requirement

Table A - Existing tiered spending requirement

AUM as at the end of the FY (S$)	Minimum LBS for the FY (S$)
AUM < 50 million	200,000
50 million ≤ AUM < 100 million	500,000 comprising: LBS of at least 200,000 + Eligible donations + Grants to blended finance structures with substantial involvement of entities in Singapore (amount in such grants will be recognised as twice the amount in the computation)
AUM ≥ 100 million	1,000,000 comprising: LBS of at least 200,000 + Eligible donations + Grants to blended finance structures with substantial involvement of entities in Singapore (amount in such grants will be recognised as twice the amount in the computation)

Revised requirement

Table B - Revised tiered spending requirement

AUM as at the end of the FY (S$)	Minimum LBS for the FY (S$)
AUM < 250 million	200,000
250 million ≤ AUM < 2 billion	500,000 comprising: LBS that is at least 300,000 + Eligible donations + Grants to blended finance structures with substantial involvement of entities in Singapore (amount in such grants will be recognised as twice the amount in the computation)
AUM ≥ 2 billion	1,000,000 LBS that is at least 500,000 + Eligible donations + Grants to blended finance structures with substantial involvement of entities in Singapore (amount in such grants will be recognised as twice the amount in the computation

Changes to Existing SFO Awards

Existing S13O/OA awards approved under earlier frameworks (pre-18 April 2022, 18 April 2022 and 5 July 2023 conditions) will be subject to certain revised annual conditions from the YA corresponding to basis periods ending on or after 1 August 2026. Please refer to the table below summarising the revised **annual** conditions.

Annual conditions for S13O/OA scheme	For existing awards subject to pre-18 April 2022 conditions	For existing awards subject to 18 April 2022 conditions	For existing awards subject to 5 July 2023 conditions
Minimum AUM in DI of the fund	NA	NA[1]	S$20 million at the end of the basis period
Minimum number of IPs employed by SFO	NA	2 qualifying IPs maintained throughout the basis period[2]	2 qualifying IPs, with at least 1 qualifying IP who is not a family member of the beneficial owner(s) of the fund, maintained throughout the basis period[3]
Minimum annual spending of the fund	Total business spending of S$200,000	Tiered local spending condition per **Table B** above.	
Minimum CDR to be met by the fund	NA	Revised CDR requirement as per those awards approved on or after 1 August 2026	
Banking account	• For awards where the SFO fund's letter of award contains a condition for the fund to maintain a private banking account with an MAS-licensed financial institution throughout each basis period, the fund shall continue to be required to comply with this condition. • For awards where the SFO fund's letter of award does not contain a condition to maintain any banking account, the SFO fund must maintain a banking account or a private banking account with an MAS-licensed financial institution throughout the basis period. Such funds will be provided a 3 -month grace period from 1 August 2026 to obtain the banking account or private banking account, failing which the award may be revoked from the end of the grace period. For the avoidance of doubt, where a fund's first basis period ending on or after 1 August 2026 ends on a date which falls within the 3-month grace period, the fund can continue to enjoy the full 3-month grace period and will only be required to comply with this condition upon the expiry of that grace period.		

[1] The SFO fund was permitted a 2-year grace period from its award commencement date to increase its AUM from a minimum of S$10 million to S$20 million, if it was unable to meet the S$20 million AUM condition at the point of application.

[2] The SFO was permitted a 1-year grace period from the SFO fund's award commencement date to employ the second qualifying IP, if the SFO was unable to employ at least 2 qualifying IPs at the point of the SFO fund's application.

[3] The SFO fund must ensure that the SFO employs at least 2 qualifying IPs (of whom at least 1 qualifying IP is a non-family member) by the end of the basis period of the first YA of the S13O/OA award.

How CLA Global TS Can Help

CLA Global TS' Private Wealth Team has the necessary information and relevant expertise to advise on how the changes applicable across multiple schemes will affect your company in amidst the competitiveness market in fund management and wealth management.

Contact our team of Private Wealth specialists for a consultation to reduce compliance burdens and prepare your organisation for the refined fund tax incentive schemes of the Income Tax Act 1947.

Stay tuned for Part 2 of our series, where we will explore the key changes to the S13U scheme.

Contact us

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