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SINGAPORE'S NEW SINGLE FAMILY OFFICE LICENSING EXEMPTION FRAMEWORK

The Monetary Authority of Singapore (“MAS”) has introduced a dedicated licensing exemption framework for single family offices (“SFOs”), which took effect on **15 June 2026**. The new framework replaces earlier reliance on the related-corporation exemption and bespoke, case-by-case exemption, with a streamlined, notification-based class exemption designed specifically for qualifying SFOs operating in Singapore.

This represents a **material shift** in Singapore’s regulatory approach to family offices. Qualifying SFOs now benefit from a simple, structure-agnostic pathway to exemption from fund management licensing, provided they meet the eligibility criteria and comply with straightforward notification and ongoing reporting obligations.

THE FUNDAMENTAL CHANGE

The Previous Position

Under the previous regime, SFOs in Singapore broadly relied on one of two routes to avoid the requirement to hold a capital markets services license for fund management:

1. **Related Corporation Exemption:** A class exemption under paragraph 5(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations, which permitted a corporation to manage funds for its related corporations without a license, provided the relevant conditions were met.
2. **Case-by-Case Exemption:** Where an SFO’s ownership or organisational structure did not fit neatly within the related-corporation exemption (for example, SFOs held through trusts, foundations, or non-corporate structures), the SFO could seek a bespoke licensing exemption from MAS under section 99(1)(h) of the Securities and Futures Act 2001.

In practice, the previous framework left certain SFO structures – particularly those involving trusts or foundations as holding vehicles – without a straightforward class exemption, requiring them to apply individually to MAS. This created administrative burden and uncertainty.



The New Position

The revised framework introduces a dedicated structure-agnostic class exemption for all qualifying SFOs. The key characteristics of the new regime are:

- + **Structure-agnostic:** An SFO may be held through a trust, foundation, or any other legal structure, so long as funding originates exclusively from family member(s) of a single family ("**Family Member(s)**") or key employee(s) of the SFOs.

A person qualifies as a "Family Member" if he or she shares a common ancestor with the founding member(s), where that common ancestor is five generations removed from the generation (or, where there is more than one founding member, the youngest generation) to which the founding member(s) belong.

The definition of Family Member is extended to include the spouses and former spouses, parents-in-law and former parents-in-law, and siblings-in-law and former siblings-in-law of Family Member(s), as well as the spouse or former spouse of the common ancestor.

Importantly, once a person qualifies as a Family Member by reference to the common ancestor, his or her descendants will continue to qualify as Family Members without any generational limit. Accordingly, family members who are six or more generations removed from the common ancestor may still fall within the definition.

- + **Notification-based:** There is no application or approval process. Eligible SFOs simply notify MAS within 14 days of commencing business.
- + **Requirements to open and maintain bank account:** The SFO and each of its fund vehicles must maintain bank accounts with a MAS-licensed bank. Foreign-incorporated fund vehicles may bank with a MAS-licensed bank in Singapore or with a bank in a jurisdiction with AML/CFT standards consistent with FATF standards.
- + **Simplified ongoing obligations:** SFOs must file a simplified annual return.

- + **Replaces prior exemptions:** The existing licensing exemptions on which SFOs previously relied will be withdrawn, either upon filing the initial notification to MAS or at the end of the one-year transitional period (whichever is earlier).

WHO QUALIFIES

Broadly, the new class exemption is available to SFOs that satisfy each of the following requirements:

Fund Management Activity Requirement

Manages funds exclusively for or on behalf of:

- + Family members;
- + Key employees (including executive directors, CEO, CFO, and investment professionals), provided that total key employee assets do not exceed 10% of total AUM; and/or
- + Eligible Entities (defined below)

"**Eligible Entities**" means a body corporate, body unincorporate (including a corporation, partnership, limited liability partnership, Charitable Organisation(s) (as defined below) or foundation) or trust incorporated or otherwise formed inside or outside Singapore, where: (i) all the assets originate from Family Member(s) or key employee(s) of the SFO; and (ii) the person(s) who benefit from the management of the eligible entity's assets consist of Family Member(s), key employee(s) of the SFO, Charitable Organisation(s); or eligible entities)

"**Charitable Organisation**" has the meaning given to it in Paragraph 5 (IAE) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

Ownership & Structure Requirement

Funded exclusively by members of the same family (directly or indirectly). Key employees may hold a non-controlling stake of up to 10% in total. The SFO may be constituted through a trust, foundation, or other legal structure.



Incorporation Requirement

The SFO must be incorporated in Singapore.

Banking Requirement

The SFO and each of its fund vehicles must maintain bank accounts with a MAS-licensed bank. Foreign-incorporated fund vehicles may bank with a MAS-licensed bank in Singapore or with a bank in a jurisdiction with AML/CFT standards consistent with FATF standards.

WHAT ELIGIBLE SFOs MUST DO NOW

In general, SFOs that satisfy the eligibility criteria should take the following steps:

1. **File a Notice of Commencement:** Notify MAS within 14 days after commencing business under the new framework.
2. **Establish/Maintain Banking Relationships:** Ensure that the SFO and each of its fund vehicles maintain bank accounts with a MAS-licensed bank (or, for foreign-incorporated fund vehicles, a bank in a FATF-compliant jurisdiction).
3. **Submit Annual Returns:** File a simplified annual return containing total assets under management and a listing of MAS-licensed bank accounts opened and maintained by the SFO and its Singapore-incorporated investment vehicles. There is no requirement to disclose details of foreign-licensed bank accounts maintained by foreign-incorporated investment vehicles.

MAS has emphasised that the process is designed to be straightforward, with no formal application or pre-approval step. The regime facilitates a “straight-through” class exemption for qualifying SFOs.

EXISTING SFOs: TRANSITIONAL ARRANGEMENTS

Existing SFOs operating in Singapore have one-year transition period until 15 June 2027 to comply with the revised framework. Key points for existing SFOs include:

- + The existing licensing exemption on which an SFO is relying will be withdrawn, either upon filing of the initial notification to MAS or at

the end of the one-year transitional period, whichever is earlier.

- + Existing SFOs should consider reviewing their current structures and confirming that they meet the eligibility criteria under the new framework before notifying MAS.
- + Where an existing SFO’s structure does not align with the new requirements (for example, if it does not satisfy the ownership, incorporation, or banking criteria), the SFO should consider what adjustments may be necessary to qualify.

WHAT THIS MEANS IN PRACTICE

The new framework is a welcome development for families considering or operating SFOs in Singapore. In practical terms:

- + **Greater certainty.** SFOs held through trusts, foundations, or other non-corporate structures now have access to the same streamlined class exemption as those structured through corporations. There is no longer a need to rely on case-by-case exemptions.
- + **Reduced administrative burden.** The notification-based process removes the requirement for a formal application or bespoke MAS approval, and the annual return is simplified. There is also no requirement for a mandatory legal opinion for applicants seeking to rely on this new framework. There is also no requirement for a mandatory legal opinion for applicants seeking to rely on this new framework.
- + **Enhanced monitoring.** MAS has indicated that the framework is also designed to enhance overall monitoring of SFOs in Singapore, through the notification and annual return mechanism.
- + **Action required for existing SFOs.** The transitional period means that existing SFOs should not defer engagement with the new regime. A review of existing structures and compliance steps should be initiated well in advance of the 15 June 2027 deadline.



PRACTICAL NEXT STEPS CHECKLIST

- + Review current SFO structure and confirm eligibility against the new criteria.
- + Confirm that the SFO is incorporated in Singapore.
- + Verify that banking relationships satisfy the MAS-licensed bank requirement. (Where required)
- + Assess whether fund management activities fall within the permitted scope (family members, charitable organisations, key employees within 10% AUM limit).
- + Prepare and file notification with MAS (within 14 days of commencement, or during the transitional period for existing SFOs).
- + Establish internal processes for annual return filing,
- + Consider whether any structural reorganisation is needed to comply with the new framework.

Practical guidance on the conditions that an SFO must satisfy in order to operate in Singapore under the licensing exemption framework, can be accessed from MAS' Frequently Asked Questions on Licensing Exemption Framework for Single Family Offices [here](#).

HOW WE CAN HELP

Our team in Singapore regularly advises families, family offices, and asset managers on structuring, regulatory, and compliance matters across Asia-Pacific. We are happy to assist with:

- + Assessing eligibility under the new SFO class exemption framework.
- + Structuring or restructuring SFO arrangements to satisfy the new requirements.
- + Preparing and filing the notification to MAS.
- + Advising on ongoing compliance obligations, including annual return submissions.

- + Coordinating with banking and tax advisors where applicable.

If you wish to discuss the new regime or its implications for your family office, please contact us.

CONTACT US



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