Tax Bulletin

September 2026

Singapore fund tax incentive schemes for SFO funds approved from 1 August 2026 onwards

On 31 July 2026, the Monetary Authority of Singapore (MAS) issued a circular FDD Cir 05/2026 titled "Tax Incentive Schemes for Funds" (the 2026 Circular), providing updates to the fund tax incentive schemes under sections 13D, 13O, 13OA and 13U of the Income Tax Act 1947 (ITA) for non-single family office (non-SFO) funds as well as SFO funds.

These updates are welcomed and demonstrate MAS's efforts to understand and consider industry feedback while reducing compliance complexity for set up of SFOs in Singapore. Notably, the adjusted local business spending requirements, the grace period for hiring investment professionals during the first basis period, the simplification of the Capital Deployment Requirement (CDR), and the relaxation on the satisfaction of Asset Under Management (AUM) conditions at the point of application and at the end of the basis period should make the fund tax incentive schemes more practical to implement without compromising on MAS's policy objectives.

This tax bulletin summarises the key conditions for 13O, 13U and 13D tax incentive schemes as applicable to SFO funds approved from 1 August 2026 onwards. Please reach out to your usual PwC contact if you would like to discuss the conditions for new applications or the changes affecting SFO funds approved on or before 31 July 2026.

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Awards from 1 August 2026		13O Scheme	13U Scheme	13D Scheme
1	**Approval requirements**	Approval required	Approval required	Self assessment basis
2	**Legal form and location**	Company incorporated and tax resident in Singapore	No restriction on legal form and jurisdiction	Company not tax resident in Singapore; Qualifying trusts; non-resident non-citizen individuals
3	**Minimum AUM of the Fund in Designated Investments**	At the point of application and **as at end of each financial year (FY) thereafter: S$20 million**	At the point of application and **as at end of each FY thereafter: S$50 million**	No minimum requirement
4	**Minimum Investment Professionals (IPs) employed by the SFO who are Singapore tax residents**	At the point of application and at all times: SFO employs at least **two** Singapore tax resident IPs with **at least one IP being a non-family member**. Grace period for at least one non-family member IP allowed till end of first basis period.	At the point of application and at all times: SFO employs at least **three** Singapore tax resident IPs with **at least one IP being a non-family member**. Grace period for one IP allowed till end of first basis period.	At all times: SFO employs at least **one** IP
5	**Minimum AUM to be incurred by the Fund (13O and 13U Schemes)**			
	AUM at the end of the reporting period:	Local business spending		No minimum spending requirement
	• AUM < S$250 million	S$200,000		
	• S$250 million ≤ AUM < S$2 billion	S$500,000		
	• AUM ≥ S$2 billion	S$1 million		
6	**Minimum Capital Deployment Requirement for 13O and 13U funds**	The fund must invest the lower of: (i) 10% of its AUM in Designated Investments; or (ii) S$10 million, in Designated Investments which are: **Option 1:** Listed on Approved Exchanges (i.e. 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 **Option 3:** Non-listed Singapore-incorporated companies with operating business(es) and substantive presence in Singapore This condition is to be met at the end of the basis period relating to the **first full Year of Assessment (YA)** after the commencement date of the 13O or 13U award; and **thereafter at the end** of each subsequent basis period.		No concept of CDR
7	**Shareholder test for the Fund**	Yes, subject to ownership test and financial penalty for non-qualifying relevant owners	Not applicable	Yes, subject to ownership test and financial penalty for non-qualifying relevant owners
8	**Singapore fund administrator**	Required	Required (only if the Fund is a Singapore company)	Not required
9	**Private banking (PB) account**	The Fund must have a PB account with a MAS-licensed financial institution at the point of application and throughout the incentive period		Not required

* Rules as applicable to funds approved on or before 31 July 2026 not discussed here