Raising the bar

Changes to tax incentive schemes for family offices from April 18

	SECTION 13O	SECTION 13U
Minimum AUM	**Currently:** No stipulated fund size. **New:** S$10m at point of application, to be increased to S$20m within a 2-year grace period.	**No change:** S$50m at point of application.
Investment professionals (IPs) IPs include portfolio managers, research analysts, or traders, who are earning more than S$3,500 per month and substantially engaged in the qualifying activity.	**Currently:** Fund can be managed or advised directly by a fund management company in Singapore. **New:** Each family office must employ at least 2 IPs.	**New:** Each family office must employ at least 3 IPs, with at least 1 being a non-family member.
Business spending	**Currently:** Fund needs to incur at least S$200,000 in total business spending per financial year. **New:** Fund will be subject to a tiered business spending framework. The original spending floor will remain for funds with AUM smaller than S$50 million. In funds with AUM of between S$50 million and S$100 million, minimum total business spending will now be raised to S$500,000. For funds with AUM above S$100 million, minimum total business spending will be raised to S$1 million.	**Currently:** Fund needs to incur at least S$200,000 in local business spending per financial year. **New:** Fund will be subject to a tiered business spending framework. For funds with AUM smaller than S$100 million, minimum local business spending will be raised to S$500,000. For funds with AUM of S$100 million and above, minimum local business spending will be raised to S$1 million.
Local investment Examples include equities listed on Singapore-licensed exchanges, qualifying debt securities, funds distributed by Singapore-licensed fund managers, or private-equity investments into non-listed Singapore-incorporated companies, such as start-ups.	**New:** Fund managed by a family office must invest at least 10 per cent of its AUM or S$10million, whichever is lower, in local investments at any one point in time.	

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