

Legal Update

Singapore's New Single Family Office Licensing Exemption Framework: What SFOs Should Do Now

6 July 2026

On 12 June 2026, the Monetary Authority of Singapore ("**MAS**") announced a significant update to the licensing exemption framework for single family offices ("**SFOs**") operating in Singapore ("**New SFO Framework**"). The New SFO Framework took effect on 15 June 2026 through amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SF(LCB)R**").

Under the New SFO Framework, qualifying SFOs now have a dedicated statutory exemption from the requirement to hold a capital markets services ("**CMS**") licence for fund management under the Securities and Futures Act 2001 ("**SFA**"). The introduction of this exemption marks a significant departure from the previous regime, under which many SFOs relied on the related corporation exemption or the case-by-case exemption granted by the MAS to conduct fund management activities.

Existing SFOs that relied on the related corporation exemption or a case-by-case exemption granted by MAS immediately prior to 15 June 2026 have a transitional period of one year till **15 June 2027** to comply with the New SFO Framework.

This update highlights the key features of the new regime and the practical considerations for existing and prospective SFOs.



Background

Historically, many SFOs relied on the related corporation exemption under paragraph 5(1)(b) of the Second Schedule to the SF(LCB) Regulations or obtained case-by-case exemption granted by the MAS under section 99(1)(h) of the SFA.

However, these arrangements may not specifically be designed for family office structures. In practice, many SFO arrangements involve trusts, foundations, partnerships, private investment groups, quasi-multi family arrangements and other vehicles that do not fit neatly within traditional corporate group concepts.

The introduction of the New SFO Framework reflects MAS' intention to establish a dedicated and coherent regulatory framework for SFOs. In particular, it reflects MAS' intention to:¹

- (a) establish a dedicated and harmonised regulatory approach for SFOs;
- (b) provide greater certainty through a statutory class exemption;
- (c) accommodate diverse legal structures used by family office structures; and
- (d) enhance AML/CFT oversight through banking and reporting requirements.



Narrowing of the Related Corporation Exemption

The introduction of the New SFO Framework has resulted in a narrowing of the existing related corporation exemption.

¹ Paragraphs 3.6 and 5.6 of MAS' Response to Feedback Received on Proposed Framework for Single Family Offices dated 6 November 2024.

Previously, paragraph 5(1)(b) of the Second Schedule to the SF(LCB)R exempted a corporation from holding a CMS licence for fund management from holding a CMS licence where it carried on business in fund management solely for or on behalf of its related corporations, provided that the assets under management were not beneficially owned by third parties or as a result of any investment contract entered into by the related corporation.

Under the amended paragraph 5(1)(b) of the Second Schedule to the SF(LCB)R, an additional condition has been introduced requiring that **no more than 50% in value of the assets** of the relevant related corporation **originate from members of a single family**, in addition to the existing requirements. For these purposes, assets are regarded as “originating” from an individual if, based on the register of members, trust deed or other records of the relevant entity, those assets are attributed to that individual.²

As a result, SFOs managing assets that predominantly originate from members of a single family should no longer assume that the related corporation exemption remains available. Instead, such structures will generally need to assess whether they qualify for the New SFO Framework under paragraph 5(1)(b) of the Second Schedule to the SF(LCB)R or otherwise look to other exemptions or conduct a licensing analysis.

The amendment reflects a policy shift away from treating family offices as a subset of corporate group structures and towards regulating them under a dedicated family office framework.



Key Conditions of the New SFO Framework

1. Shareholding Requirement

An SFO can only conduct fund management for, or on behalf of:³

- (a) family members⁴ including family trusts and corporations wholly owned by, and for the sole benefit of the family;
- (b) charitable organisation(s) funded exclusively by the family; and/or
- (c) key employees⁵ where the assets originating from key employees must not exceed 10% of the total value of the SFO’s assets under management in aggregate.

It can be held via a trust, foundation or any other legal structure, so long as the funding of the SFO originates exclusively from:⁶

- (a) members of the same family, whether directly or indirectly; and
- (b) key employees who are allowed to own a non-controlling stake of up to 10%.

Importantly, the SFO must also be incorporated in Singapore. Where there are multiple founding members, they must share a common ancestor within prescribed generational limits.

² Paragraph 5(1AH) of the SF(LCB)R.

³ Response 1 of the MAS FAQ on Licensing Exemption Framework for Single Family Offices dated 12 June 2026 (“FAQ”).

⁴ Based on Response 2 of the FAQ, the term “family member” refers to all lineal descendants of a common ancestor (living or deceased) (i.e., parents, siblings, children). This also includes current or former spouses; adopted children; stepchildren; parents-in-law; and siblings-in-law. Further, the common ancestor must not be more than five generations removed from the youngest generation that established the SFO in Singapore.

⁵ Based on paragraph 5(1AE) of the Second Schedule to the SF(LCB)R, a “key employee” in relation to a company, means — (a) the chief executive officer, the chief financial officer, an executive director or an investment professional of the company; or (b) a former chief executive officer, former chief financial officer, former executive director or former investment professional of the company who has ceased to be appointed or employed by the company as such for a period of one year or less. Additionally, an “investment professional” means an individual employed by a company to manage, research or deal in products which are part of the company’s assets under management, for investment purposes on behalf of the company.

⁶ Response 1 of the FAQ.

The statutory definition of "**family member**" is broad and extends beyond immediate family members and includes adopted children, stepchildren and certain current and former familial relationships.

2. Business Commencement Requirement

At the date of commencement of SFO's business, the SFO must carry on business for or on behalf of:

- (a) one or more family member(s); or
- (b) an eligible entity whose assets originate from one or more family member(s).

3. Opening and maintaining of bank account

Under the New SFO Framework, both the SFO and each of its fund vehicles must open and maintain a bank account with a MAS-licensed bank.⁷

Foreign-incorporated fund vehicle(s) may open and maintain an account with a MAS-licensed bank in Singapore, or with a regulated bank in a jurisdiction that complies with anti-money laundering and countering the financing of terrorism requirements consistent with the standards set by the Financial Action Task Force.

4. Notice of Commencement of Business

An SFO commencing business on or after 15 June 2026 must submit a Notice of Commencement of Business ("**Notification**") to MAS within **14 days** of commencing fund management activities.⁸

For existing SFOs or other frameworks that are relying on the related corporation exemption, the old law continues to apply until the earlier of 15 June 2027 or the date the affected entity lodges a notice of continuation if it is able to satisfy the conditions under the New SFO Framework.

5. Annual Return

SFOs relying on the New SFO Framework must submit an annual return to MAS within four months after each financial year end. MAS has indicated that extensions of time will generally not be granted. Accordingly, SFOs should ensure that appropriate governance and compliance procedures are implemented to facilitate timely reporting.⁹

For more details regarding the New SFO Framework, please visit MAS' FAQ on Licensing Exemption Framework for Single Family Offices [here](#).



Failure to satisfy the conditions of the New SFO Framework

In recognition that SFOs utilise a diverse range of ownership and investment structures, MAS has introduced the structure-agnostic New SFO Framework to accommodate the majority of SFO arrangements. Accordingly, MAS has expressly indicated that it will generally not grant case-by-case exemptions to SFOs, save in exceptional circumstances.¹⁰

This reflects MAS' view that genuine SFOs which manage their own assets or assets belonging to members of the same family rather than third-party assets, should not ordinarily be subject to licensing requirements. By contrast, licensed fund managers that are in the business of managing

⁷ Response 1 of the FAQ.

⁸ Response 3 of the FAQ.

⁹ Response 6 of the FAQ.

¹⁰ Response 5 of the FAQ.

assets for third-party investors should be subject to regulation under the SFA, which is intended to safeguard the interests of those investors.¹¹



Conclusion

The introduction of the New SFO Framework represents a significant milestone in the continued development of Singapore's private wealth and family office landscape. By introducing a structure-agnostic licensing exemption, the New SFO Framework is better aligned to accommodate a diverse range of structures adopted by modern family offices.

The New SFO Framework is intended to become the primary regulatory pathway for SFOs operating in Singapore. Existing SFOs and corporations who have historically relied on the related corporation exemption should therefore carefully review their ownership structures, funding arrangements and operational framework to assess their eligibility under the new regime and complete the transition before the expiry of the transitional period.

Our team would be pleased to assist with assessing eligibility under the New SFO Framework, review and restructure existing arrangements where necessary and advise on ongoing compliance obligations.

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¹¹ Response 5 of the FAQ.

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