

IN-DEPTH

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SINGAPORE

Sim Bock Eng, Aw Wen Ni and Alvin Lim¹

I INTRODUCTION

The lure of Singapore lies largely in its political and social stability, good educational system, transparency, efficiency, ease of doing business and good geographical location within Asia. In recent times, these have been further augmented by its reputation as an attractive wealth management hub in Asia and the various tax and other incentive schemes it provides for high net worth families, businesses and individuals.

In 2021, despite the covid-19 pandemic, Singapore's assets under management (AUM) grew by 16 per cent year-on-year to reach S\$5.4 trillion, ahead of the 12 per cent growth for the global asset management industry.² A total of 78 per cent of this AUM was sourced from outside Singapore,³ which is testament to the popularity of Singapore as a fund management location.

II TAX

Singapore has a relatively straightforward tax regime. Singapore taxes income that is accrued in, derived from or received in Singapore. For individuals, other than personal income tax, there is no gift tax, estate tax, inheritance tax or capital gains tax. For corporations, there is a flat corporate tax rate with various tax incentives in place. Most tax incentives have a sunset date and are generally reviewed and, if appropriate, renewed every five years.

i Individual income tax

Although individual income tax is chargeable on income accrued in or derived from Singapore, or received in Singapore, foreign-sourced income received by individuals in Singapore is generally exempt from Singapore tax. Income derived from investments such as interest from debt securities and qualifying distributions from real estate investment trusts by individuals are also generally exempt from Singapore income tax in the hands of an individual.

1 Sim Bock Eng, Aw Wen Ni and Alvin Lim are partners at WongPartnership LLP.

2 <https://www.mas.gov.sg/-/media/mas/news-and-publications/surveys/asset-management/singapore-asset-management-survey-2021-1.pdf>.

3 *ibid.*

Singapore has a preceding year basis of taxation; that is, income earned in 2023 is taxed in the year of assessment 2024. A resident individual taxpayer is taxed at a graduated margin tax rate depending on the quantum of chargeable income.⁴

Income tax rates

As announced at the Singapore Budget 2022, the top marginal personal income tax rate will be increased from the year of assessment 2024.⁵ This is reflective of the government's desire to achieve greater progressivity in the personal income tax structure. Currently, the highest tax bracket of 22 per cent applies to chargeable income in excess of S\$320,000. Two additional tax brackets with higher rates of tax have been introduced to take effect for year of assessment 2024. The amount of chargeable income in excess of S\$500,000 and up to S\$1 million will be subject to tax at a rate of 23 per cent. The amount of chargeable income in excess of S\$1 million will be subject to tax at a rate of 24 per cent.

Gift and succession taxes

There is no gift tax, estate tax or inheritance tax in Singapore.

Capital gains tax

There is no capital gains tax in Singapore. Whether a gain on the disposal of an asset is capital in nature (and hence not taxable) or income in nature (which is taxable) depends on the circumstances of each case. Relevant factors in the determination include the intention at the time of acquisition, the length of time of ownership of the asset, frequency of similar transactions, nature of the assets, any improvements made to the asset, means of financing the acquisition and the circumstances of the disposal.

Stamp duties

Stamp duties ranging from 0.2 per cent for transfer of shares are chargeable on the execution of documents transferring shares of Singapore-incorporated companies and shares of foreign-incorporated companies that are registered in a Singapore branch register. Stamp duties are also payable on the execution of documents transferring interests in immoveable properties, although the rates will depend on whether this involves commercial properties (up to 6 per cent) or residential properties (see below). These stamp duties are, however, not payable on the transmission of Singapore immovable property or shares if such transmission is in accordance with a distribution under a will or the laws of intestacy, or is transferred to a spouse pursuant to an order of court made in divorce proceedings.

4 <https://www.iras.gov.sg/taxes/individual-income-tax/basics-of-individual-income-tax/tax-residency-and-tax-rates/individual-income-tax-rates>.

5 https://www.mof.gov.sg/docs/librariesprovider3/budget2022/download/pdf/fy2022_budget_statement.pdf.

Transfer of immovable residential properties

Singapore is a city state and is land-scarce. As with other countries, there are fiscal restrictions on the transfer of immovable properties in Singapore – the primary tool being stamp duties. Stamp duties for transfer of residential real property in Singapore have been revised on a few occasions in the past 10 years as a cooling measure to deal with the increasing prices of residential properties in Singapore, with the last revision on 27 April 2023.⁶

Singapore imposes additional stamp duties (for buyer and seller) on the transfer of residential properties, which are differentiated based on whether the buyer is a Singaporean, a foreigner or an entity, whether the buyer is acquiring his or her first property, and the period of time that the seller has owned the property.

There are free trade agreements between Singapore and countries such as the United States, Liechtenstein, Iceland, Norway and Switzerland, which allow nationals of these countries (and permanent residents of Liechtenstein, Iceland, Norway and Switzerland) to be accorded the same stamp duty treatment as Singapore citizens.

In the latest revision, additional buyer stamp duty (ABSD) was raised by 3 per cent to 5 per cent for Singapore citizens and permanent residents who purchase their second and subsequent residential properties. For foreigners and entities, there was a significant upward revision of ABSD from 30 to 60 per cent and 35 to 65 per cent, respectively. ABSD of 65 per cent has also been imposed on any transfer of residential property into a living trust where the transfer occurs on or after 9 May 2022.⁷ The additional buyer stamp duty is refundable under certain conditions.

ii Corporate tax

A corporation, whether tax-resident or not, is subject to income tax in Singapore for any income that is accrued in or derived from Singapore or is received in Singapore from outside Singapore. The corporate tax rate in Singapore is 17 per cent.

Double taxation and international tax treaties

Singapore is party to 97 comprehensive tax treaties that serve to relieve double taxation of income.⁸ There are also eight limited tax treaties covering shipping or air transport for countries such as the United States, Brazil and Hong Kong.⁹

6 <https://www.mas.gov.sg/news/media-releases/2023/measures-for-a-sustainable-property-market>.

7 [https://www.mof.gov.sg/news-publications/press-releases/additional-buyer-s-stamp-duty-\(absd\)-for-residential-properties-transferred-into-a-living-trust](https://www.mof.gov.sg/news-publications/press-releases/additional-buyer-s-stamp-duty-(absd)-for-residential-properties-transferred-into-a-living-trust).

8 <https://www.iras.gov.sg/taxes/international-tax/list-of-dtas-limited-dtas-and-eoi-arrangements?pg=1&indexcategories=DTA>.

9 *ibid.*

Tax exemption schemes

New startup companies incorporated in Singapore¹⁰ are eligible for a tax exemption scheme for their first three consecutive years of assessment (YA). For YA 2020 onwards, qualifying companies would receive a 75 per cent exemption on the first S\$100,000 of normal chargeable income and a further 50 per cent exemption on the next S\$100,000 of normal chargeable income.¹¹

All other companies may be eligible for a partial tax exemption. For YA 2020 onwards, this would be a 75 per cent exemption on the first S\$10,000 of normal chargeable income and a further 50 per cent exemption on the next S\$190,000 of normal chargeable income.¹²

Corporate tax incentives

There are also corporate tax incentives to encourage businesses to upgrade their capabilities and expand the scope of their operations in Singapore. Two such incentives are the pioneer certificate incentive and the development and expansion incentive.¹³

These incentives allow companies that are prepared to make significant investments in contribution to the economy or in advancement of capabilities towards globally leading industries to enjoy a corporate tax exemption or a concessionary tax rate of 5 or 10 per cent on income derived from qualifying activities for periods of up to five years.

Minimum effective tax rate for multinational enterprises

In the Singapore Budget 2023, the government announced that it plans to implement the Global Anti-Base Erosion (GloBE) Rules and Domestic Top-up Tax (DTT) from 1 January 2025. This is pursuant to the Organisation for Economic Co-operation and Development Pillar Two Anti-Base Erosion Rules of the Base Erosion and Profit Shifting Project (BEPS 2.0 Project)¹⁴ and Singapore's recognition of the need to update its corporate tax system to account for these global tax developments.

Upon implementation, these initiatives will 'top up' a multinational enterprise group's effective tax rate in Singapore to 15 per cent. The government has indicated that it will continue to monitor international developments and adjust the implementation timeline as needed.

III SUCCESSION

i Introduction to succession in Singapore

Singapore, despite extensive commercialisation and globalisation of its businesses, is culturally still very Asian. This encompasses various values such as filial piety, respect and civility. There is also a tendency to avoid direct conflict.

10 The tax exemption is not available to companies whose principal activity are that of investment holding and companies that undertake property development for sale, investment, or both.

11 <https://www.iras.gov.sg/taxes/corporate-income-tax/basics-of-corporate-income-tax/corporate-income-tax-rate-rebates-and-tax-exemption-schemes>.

12 *ibid.*

13 <https://www.edb.gov.sg/en/how-we-help/incentives-and-schemes.html>.

14 https://www.mof.gov.sg/docs/librariesprovider3/budget2023/download/pdf/fy2023_budget_statement.pdf and <https://www.mof.gov.sg/docs/librariesprovider3/budget2023/download/pdf/annexg1.pdf>.

Thus, much succession planning, wealth preservation and family office set ups are driven by the patriarch or matriarch. While there is a trend of the patriarch or matriarch involving or consulting subsequent generations, the role of these subsequent generations tends to be facilitative, such as doing the initial research and introducing the latest and appropriate structures. They remain respectful of and align themselves with the indication of the earlier generations, in particular in their presence, and leave decisions to the patriarch or matriarch. Culturally, Asians tend to favour keeping families together and assets within the family.

ii Succession law in Singapore

Testamentary freedom

The general rule under Singapore law is that testamentary freedom is unrestricted, except for Muslims who are domiciled in Singapore. There are no restrictions on the manner by which non-Muslims in Singapore may choose to provide for their succession.

The rule as to testamentary freedom for non-Muslims is subject to the provisions of the Inheritance (Family Provision) Act 1966, which allows the court to provide reasonable maintenance to the deceased's dependants out of the deceased's net estate. Dependant is defined as a spouse, a child (of any gender or age) who is by reason of physical or mental incapacity incapable of maintaining himself or herself, an infant son or an unmarried daughter. Funds held through a deceased's central provident fund account (applicable to Singapore citizens and permanent residents) cannot be disposed of via a will, but only through the appropriate instrument of nomination.

Intestacy

Where an individual domiciled in Singapore dies without leaving a will or the will is invalid, the deceased's estate is subject to the provisions of the Intestate Succession Act 1967 (ISA). The deceased's assets (movable properties as well as immovable properties in Singapore) will be distributed according to the rules of distribution under the ISA, which provide for distributions to the deceased's next of kin in different proportions based on the degree of closeness to the deceased.

Restrictions under Muslim law

In accordance with Section 111 of the Administration of Muslim Law Act 1966, no Muslims domiciled in Singapore may dispose of their property by will except in accordance with the provisions of the school of Muslim law professed by them. Under Muslim law, Muslims are subject to two main restrictions: they may not give away by will more than one-third of their estate; and they may not increase or reduce the share of any of their legal heirs as determined according to Muslim law.

iii Marital property

Singapore adopts a deferred community approach where the matrimonial assets are only divided once the marriage has been legally terminated – see Section 112 of the Women's Charter 1961.

Matrimonial assets

Only matrimonial assets will be subject to division in the event of a breakdown of the marriage. Matrimonial assets are defined by Section 112(10) of the Women's Charter to be any asset of any nature acquired during marriage by one or both parties and any asset acquired by a party before marriage that was ordinarily used or enjoyed by the family during the marriage or has been substantially improved during the marriage by one or both parties. Gifts and inheritance, whether received before or during the marriage, are not subject to division unless they were substantially improved during the marriage by one or both parties to the marriage. Gifts and inheritances can also lose their character as such due to the intention or treatment by the recipient.

In the recent case of *CLC v. CLB* [2023] SGCA 10, the husband received various gifts and inheritances including monies and investments in bank accounts and investment portfolios in his sole name. During the course of the marriage, the husband co-mingled the monies with those of his spouse and used them for the benefit of the family. He also evinced an intention to treat such gifts and inheritances as part of the family's assets in his emails and WhatsApp messages. The Court of Appeal held that the husband had demonstrated a clear and unambiguous intention that these monies constituted part of the family estate; the monies had lost their character as a gift or inheritance and should be therefore regarded as matrimonial assets that are subject to division.

The case of *VOD v. VOC* [2022] SGHC(A) 6 also illustrates that the context of how gifts are made in a matrimonial context will affect whether they form part of the matrimonial assets. In that case, at a customary tea ceremony during the wedding, the groom's father handed a *hongpao*,¹⁵ containing a S\$1 million cheque in the groom's name, to the groom in the bride's presence. In divorce proceedings some three years later, the couple disagreed whether the S\$1 million gift formed part of the matrimonial assets. The High Court held that this *hongpao* was intended by the groom's father to benefit the couple, and not the groom alone. Among other things, the court found that the overt act of presenting the *hongpao* during a customary ceremony should be viewed objectively as a gift to the couple in the absence of evidence to the contrary and unless the nature of the gift suggested otherwise (but there was none in that case).

Gifts between spouses are considered matrimonial assets. Matrimonial assets are divided between the parties based on the parties' direct and indirect (including non-financial) contributions to the acquisition of the matrimonial assets.

It is noteworthy, in the event of a divorce, that Section 132 of the Women's Charter empowers the court to set aside any disposition of assets made within the three years preceding the divorce application if the disposition of the asset was made with the object of reducing the ability to pay maintenance or to deprive a spouse of any rights in relation to that property.

Pre-nuptial and post-nuptial agreements

Pre-nuptial and post-nuptial agreements are permitted and have been recognised in Singapore. These agreements would be subject to the usual contractual principles such as intention to enter into a contract, consideration, absence of vitiating factors (i.e., misrepresentation, duress, undue influence and fraud). The terms of both pre-nuptial and post-nuptial agreements are

¹⁵ In Chinese culture, a *hongpao* is an auspicious gift of money packed into a red envelope.

subject to scrutiny by the Singapore court in accordance with the principles of justice and equity to both parties.¹⁶ The court will then decide how much weight to accord to such an agreement.¹⁷

In *CLB v. CLC* [2021] SGHCF 17, the court observed that during the course of a 16-year marriage, the husband and wife had operated on a common understanding and practically managed their financial affairs in a way that did not seem fully consistent with the pre-nuptial agreement. As such, the court found that it would not be just and equitable to accord full weight to the pre-nuptial agreement. The court kept in mind that whether each asset was to be included in the pool of matrimonial assets would depend on the circumstances and the relevant facts surrounding each asset. The matter was appealed twice, and in *CLC v. CLB* [2023] SGCA 10 (see above), the Court of Appeal agreed that the assets in question were part of the family estate and were to be included in the pool of matrimonial assets available for division, notwithstanding the terms of the pre-nuptial agreement.

A pre-nuptial agreement that was entered into by foreign nationals and governed by foreign law may be upheld in Singapore. In *TQ v. TR* [2009] 2 SLR(R) 961, a Dutch citizen and Swedish citizen executed a pre-nuptial agreement that stated that there was to be no community of property, and married under Dutch law. The couple moved to Singapore and the marriage subsequently broke down. The Court of Appeal held that the pre-nuptial agreement was wholly foreign in nature, dealt with the parties' respective matrimonial assets only and was valid under Dutch law. Further, there was sufficient evidence that showed that the couple did not regard their marriage as being one that related to the concept of a community of property. In those circumstances, the Court of Appeal gave the pre-nuptial agreement the highest significance and made no orders as to the division of matrimonial assets.

In the division of matrimonial assets, the determination as to custody care and control of children or the maintenance to be paid to the wife and the children, pre-nuptial and post-nuptial agreements are one of various other factors to be considered by the courts.¹⁸ In its scrutiny of an agreement, the courts may also consider whether the parties sought legal advice and were provided with full disclosure of information relating to the matrimonial assets or other relevant information prior to entering into the agreement. There is a presumption that any provisions relating to the children, whether relating to their custody or maintenance, are not enforceable unless they are in the best interests of the children.¹⁹

Same-sex marriages

Same-sex marriages are neither permitted nor recognised in Singapore. Section 12(1) of the Women's Charter expressly provides that a marriage whether solemnised in Singapore or elsewhere between persons who at the date of the marriage are not respectively male and female is void. Parties to such a marriage thus do not have rights as spouses in the event of a breakdown of the relationship and in the event of the demise of the other party.

¹⁶ *Wong Kien Keong v. Khoo Hoon Eng* [2014] 1 SLR 1342.

¹⁷ *TQ v. TR* [2009] 2 SLR(R) 961.

¹⁸ *Wong Kien Keong v. Khoo Hoon Eng* [2014] 1 SLR 1342.

¹⁹ *AUA v. ATZ* [2016] 4 SLR 674.

Children born out of wedlock

Children born out of wedlock are considered illegitimate unless they are legitimated by the subsequent marriage of their natural parents. Until they are so legitimated, they would have no right to inherit from their father in the event that he should die intestate. They would only be entitled to inherit from their biological mother if the biological mother has no surviving legitimate children.

Adopted children

Adopted children are deemed under the Adoption of Children Act 1939 to be legitimate children of their legal (adoptive) parents and, in the case of intestacy, will be entitled to their estate as if they were born to their adoptive parents in lawful wedlock. As the adoption legally severs all ties between the adopted children and their natural parents, they will have no right to inherit from their natural parents in the event that the natural parents should die intestate.

IV WEALTH STRUCTURING AND REGULATION

The dominant objectives for succession planning in Singapore include asset protection, the seamless transmission of wealth over generations, continuity of the family business, minimising family conflicts and tax efficiency. The structure that is used for succession planning would naturally depend on the objectives and circumstances of the patriarch, matriarch or family.

i The trust structure

The prevalent structure in tax, wealth or succession planning in Singapore is the trust. This can be revocable or irrevocable, discretionary or fixed interest, depending on the objectives to be achieved.

The trust structure can be used to allow for consolidation of wealth and business continuity and yet allow for the distribution of economic benefits. For high net worth families in Asia who built their wealth in the current generation, a priority is the continuity of the family business. The trust allows the family business and wealth to be consolidated to generate income for current and future generations, and for management to remain with the professional managers or capable members of the family.

In Singapore, the trust is an effective structure for succession planning and can overcome the application of forced heirship rules that may apply for the settlor. Section 90(2) of the Trustees Act 1967 provides that no rule relating to inheritance or succession affects the validity of a trust or the transfer of any property to be held on trust if the person creating the trust or transferring the property had the capacity to do so under the law applicable in Singapore or the law of their domicile or nationality or the proper law of the transfer. It is also robust against challenges in divorce proceedings and creditor claims.

In *Shafeeg bin Salim Talib v. Fatimah bte Abud bin Talib* [2010] SGCA 11, the Singapore Court of Appeal opined that if the settlement of a Muslim's assets into a trust was completed during the deceased's lifetime, such assets would be treated as trust assets and not part of the estate and effects of the Muslim that would be subject to Islamic inheritance laws. The Singapore trust thus presents a considerable advantage in planning for individuals subject to forced heirship.

The trust structure can also be modular and can be integrated with other structures that may be required by the family or to achieve tax efficiency. Frequently, the trust structure

is used with the family's own private trust company, a family office, an investment entity or a philanthropic arm. The structure can also be made tax-efficient by utilising tax incentives such as those under Sections 13N, 13O or 13U of the Income Tax Act 1947 (ITA).

A trust can be granted tax transparency depending on the type of income received by the trust and the tax residency of the beneficiaries. If income tax has been imposed on the trust, distributions by the trustee will be regarded as capital and will not be subject to further Singapore income tax in the hands of the beneficiaries. If, however, a trust has been granted tax transparency, the distributions received by the beneficiaries from the trust may be subject to Singapore income tax, unless this is specifically exempted.

ii Succession planning and family offices

Singapore's many strengths in fund management, the ease of doing business, a stable political and regulatory environment, strong rule of law and a deep pool of financial, investment and wealth management talent has propelled its popularity as a place to base family offices.

Additionally, the Monetary Authority of Singapore (MAS) has adopted a light touch regime with family offices. Family offices may generally avail themselves of an exemption from holding a capital market services (CMS) licence. Other entities that engage in the regulated activity of fund management would otherwise have to apply for a CMS licence with the MAS.

It is not unsurprising that the number of family offices awarded tax incentives in Singapore has grown exponentially to 1,100 as at end 2022, up from 700 at end 2021 and 400 at end 2020.

Tax incentives for trusts and family offices

There are various income tax incentives for trusts and family offices in Singapore. These include incentives under Section 13F of the ITA for foreign trusts, Section 13N of the ITA for locally administered trusts, and Sections 13O and 13U of the ITA for funds managed by family offices. The designated income or relevant income as specified by the respective provisions earned by the fund are exempt from any tax in Singapore.

Section 13O and 13U exemptions are particularly popular in family offices. Section 13O, also known as the Singapore resident fund scheme, provides for an exemption of income of a company incorporated and resident in Singapore arising from funds managed by a fund manager in Singapore. Section 13U, also known as the enhanced-tier fund tax exemption scheme, provides for an exemption of income arising from funds managed by a fund manager in Singapore.

With effect from 5 July 2023, funds with S\$20 million worth of assets may qualify for the Section 13O tax exemption

For families with larger AUM, Section 13U provides tax exemptions over a wide range of income. This requires a minimum fund size of S\$50 million at the point of application.

The family is generally able to invest in most private equity and bankable assets, although for both Section 13O and Section 13U, the fund is required to invest at least 10 per cent of the AUM or S\$10 million, whichever is lower, in local investments. Local investments include equities listed on Singapore-licensed exchanges, qualifying debt securities, funds distributed by Singapore-licensed fund managers and private equity investments into non-listed Singapore-incorporated companies with operating businesses in Singapore.

iii Transparency and reporting

Singapore, in its strong support for transparency, understands the needs of the family for privacy. This balance is achieved by requiring the maintenance of various records and registries that may not necessarily be public information. There is no register for trusts in Singapore, and no publicly accessible register of the ultimate beneficial owners of companies.

All companies incorporated in Singapore, all foreign companies and all limited liability partnerships registered in Singapore (unless exempted) are, however, required to maintain a register of registrable controllers,²⁰ and to submit this information to the Accounting and Corporate Regulatory Authority.²¹

Singapore supports the movement towards transparency to combat money laundering, terrorist financing and tax evasion. Singapore has amended its tax laws and implemented the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA) reporting regimes. The CRS is an internationally agreed standard for the automatic exchange of financial account information between jurisdictions for tax purposes, to better combat tax evasion and ensure tax compliance.

Singapore has committed to implement the CRS and has been exchanging financial account information with partner jurisdictions since September 2018. The CRS Regulations in the ITA require and empower all reporting Singapore financial institutions (defined in the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016) to put in place necessary processes and systems to collect such financial account information from their account holders. Reporting Singapore financial institutions will then need to report to the Inland Revenue Authority of Singapore the financial account information relating to tax residents of Singapore's exchange partners.

V CONCLUSIONS AND OUTLOOK

Singapore's attraction as a wealth management hub is reflected in the increasingly affluent residents in Singapore. The number of ultra high net worth individuals in Singapore – defined as those with net assets of at least US\$30 million – saw a 6.9 per cent increase to 4,498 in 2022, up from 4,206 in 2021.²² The number of high net worth individuals in Singapore – defined as those with net worth of at least US\$1 million – rose by 9.8 per cent to 570,548 in 2022.²³

20 The term controller refers to an individual or legal entity that has a significant interest or significant control over the company. A controller with significant interest is a person who holds 25 per cent or more of the shares, holds 25 per cent or more of the voting power or has a right to 25 per cent or more of the capital or profits in a company without share capital. A controller with significant control is a person who can appoint or remove directors with a majority of voting rights, holds over 25 per cent of the voting rights or has significant influence or control over the company.

21 <https://www.acra.gov.sg/compliance/register-of-registrable-controllers#:~:text=Entities%20Exempted%20from%20maintaining%20RORC&text=Exempted%20entities%20will%20have%20to,by%20taking%20the%20steps%20below.&text=Log%20in%20to%20BizFile%2B.,proceed%20to%20submit%20the%20transaction.>

22 [https://www.channelnewsasia.com/singapore/ultra-rich-singapore-wealthy-growing-number-harmony-live-average-3536001.](https://www.channelnewsasia.com/singapore/ultra-rich-singapore-wealthy-growing-number-harmony-live-average-3536001)

23 [https://content.knightfrank.com/research/83/documents/en/the-wealth-report-wealth-populations-10198.pdf.](https://content.knightfrank.com/research/83/documents/en/the-wealth-report-wealth-populations-10198.pdf)

With the influx of affluent individuals and the inflow of funds into Singapore, there has been an increased focus on ensuring that these changes generate valuable economic benefits for Singapore and opportunities for Singaporeans.

For instance, the successive introduction of more stringent requirements for the establishment of family offices in Singapore in 2022 and 2023 have sought to, among other things, translate the growth of family offices and wealth in Singapore into growth in the businesses set up in Singapore, which potentially can create more employment opportunities and contribute more substantively to the economy of Singapore.

Likewise, on 2 March 2023, the Economic Development Board of Singapore also raised the requirements for global investors to be awarded Singapore permanent resident status (PR) under the global investor programme (GIP).²⁴ The changes to the GIP are aimed at attracting top-tier business owners and high-calibre investors to drive their businesses and investment growth from Singapore. The changes to the GIP to a great extent are also reflective of the popularity of the programme. About 200 people had obtained PR through GIP from 2020 to 2022. The changes include a four-fold increase of the minimum investment sum into new or existing business operations in Singapore from S\$2.5 million to S\$10 million, and the tightening of the criteria to renew the PR status (the business must hire at least 30 employees, of which at least half must be Singapore citizens, and of these at least 10 must be incremental hires).

Philanthropy is another key focus area, and in September 2022 the government announced its desire to become a regional centre for philanthropy. The government is encouraging family offices, businesses and individuals to set up their philanthropic base in Singapore, and in addition to reviewing tax incentive schemes, is also seeking to connect donors with suitable charitable causes to create impactful solutions.²⁵

At the same time, Singapore continues its effort to court the best international talent among strong global competition. The overseas networks and expertise pass was introduced in 2023 to attract top talent across all sectors, including in business, arts and culture, sports, as well as academia and research. Candidates who meet the eligibility criteria will be able to work in Singapore for five years, with a subsequent renewal of five years (as opposed to the two to three years for the current employment pass).²⁶

24 <https://www.edb.gov.sg/en/about-edb/media-releases-publications/changes-to-global-investor-programme-will-generate-more-spin-offs-for-the-singapore-economy.html>.

25 <https://www.straitstimes.com/singapore/singapore-aims-to-be-regional-centre-for-philanthropy-dpm-wong>.

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