

# Private Wealth

## *- What is a family office*

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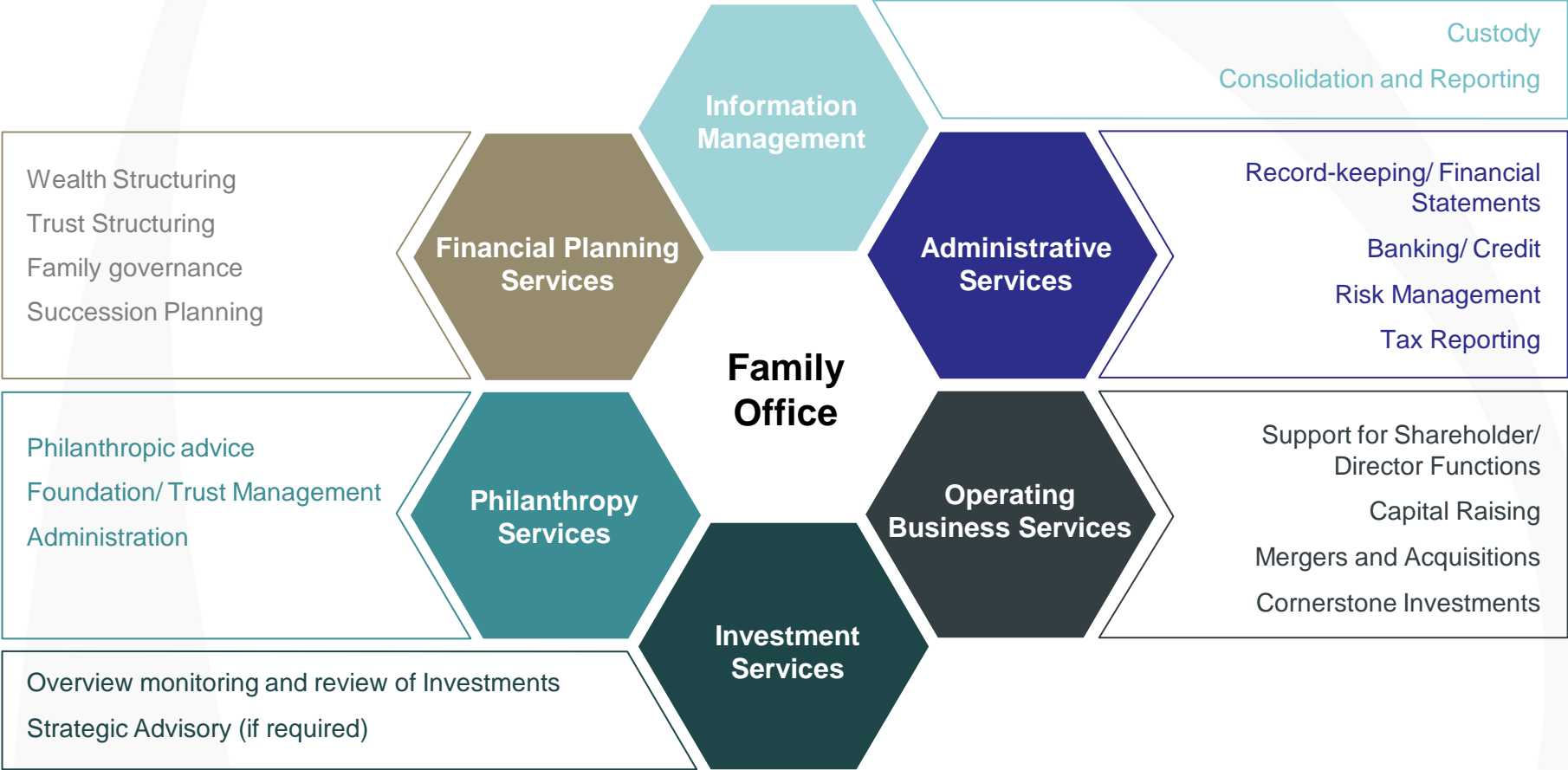


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# What is a Family Office?

- **An organisation who assumes day-to-day administration and management of a family's affairs.**
  - Focus on a combination of management of investments, liaison with private banks, tax planning, estate & philanthropic planning
  - Increasing focus on family governance and succession planning
- **Why?**
  - Growing trend of complex wealth management
  - Families paying attention to both wealth creation as well as inter-generational wealth transfer

# Family Office Functions



# Family Office – Legal Structures

- Trust
- Company (limited liability company etc)
- Partnerships (limited liability partnerships etc)
- Broadly, legal structures for family offices are either partnerships or corporations
- The choice of a legal structure will not only convey special legal consequences – such as unlimited or limited liability, differences regarding shareholder positions etc but also a different tax treatment.



# What can a Family Office in Singapore provide?

- **Tax exemptions**

- Tax incentive schemes for funds

- **Fiscal advantages**

- Qualifying funds can take advantage of Singapore's double taxation treaties with countries like China, Indonesia, and India, and pay less withholding tax of certain categories of income and capital gains

- **Confidential, world-class dispute resolution**

- Singapore International Commercial Court offers a binding curia forum with world-renowned ad hoc sitting judges that hears cases *in camera* (closed-doors)

# Tax Considerations

- **Factors to consider**

- Where investment decisions are taken
- Where shareholders/ beneficial owners/ beneficiaries/ directors are based
- Type of income

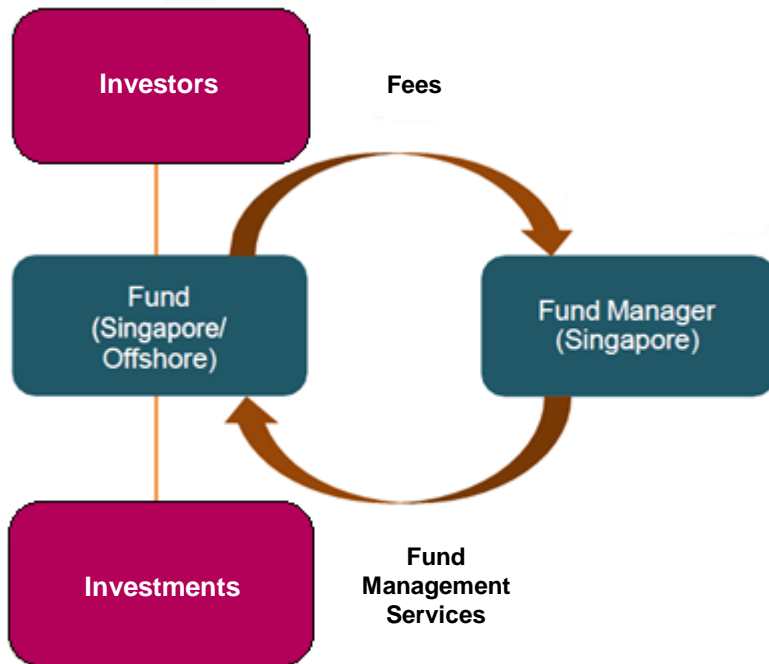
- **Applicability of tax exemptions in Singapore**

- Section 13X (Enhanced Tier Fund Scheme)

# Other Considerations

- **Regulatory Considerations**
  - MAS approval for income tax exemptions
  - Licensed Fund Management Company or Registered Fund Management Company
- **Tax Residency / Immigration Considerations**

# Section 13X (Enhanced Tier Fund Scheme)



- **Fund residence can be both offshore and onshore funds**
- **Specific MAS approval is required to enjoy incentives under this scheme**
- **Specific requirements to be met**
  - For example, the fund must have a minimum fund size of S\$50 million at the time of application to MAS, fund will have to be managed by a fund manager in Singapore, at least S\$200,000 local business spending a year



# Common Reporting Standard (CRS)

- **A global standard for automatic and multilateral exchange of financial information between tax authorities**
- **Over 100 participating jurisdictions**
- **Aim to increase tax transparency and eliminate tax evasion globally**

# CRS: Impacts on Family Office

- **Privacy**

- Personal information about family members will be disclosed

- **Burden of compliance**

- Certain entities may have significant compliance requirements

- **Impact of non-compliance**

- Non-compliant entities and individual will not be able to open or maintain accounts and other financial relationships

# Q&A

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