

The background of the slide is a dark blue night cityscape with numerous illuminated skyscrapers. Overlaid on this are several circular icons in a lighter blue color. These icons include a lightbulb, a shopping cart, a gear, a cloud, a heart with a pulse line, a Wi-Fi symbol, a house, and a network of three nodes. Dotted lines connect some of these icons to the central text box.

# **DIGITAL BANKING, DIGITAL CURRENCY & DIGITAL ECONOMY**

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3	DIGITAL ECONOMY



# 1. DIGITAL BANKS

Singapore's banking space is entering into a new phase with the introduction of Digital Banks. MAS is planning to issue up to 5 new licenses to applicants, who will add value to banking sector and the economy. MAS has received 21 applications, 7 for full digital bank licenses and 14 digital wholesale banking licenses. The applicant must provide a five-year financial projection of the proposed digital bank, showing a path towards profitability.

Applicants need not have a track record in banking, the MAS said. It noted the new competitors would encourage existing banks to continue improving their digital offerings. Customers who have digital bank accounts transact online—either via their mobile devices or computers. Digital banks tend not to have physical branches, which means that customers engage with the bank mainly through e-mail, online chat or phone calls.



# 1. DIGITAL BANKS

MAS has put in place the safeguards as regulators usually require of digital banks; a track record of running a business, a clear value proposition, compliance with the same regulations as traditional banks and an exit strategy so that in the event of business failure, they can be wound up with minimal risk to depositors of the financial system.

Digital bank expectations are to provide services to unmet, unbanked or underbanked customers.



# 1. DBS Bank

The Three major banks in Singapore have internet banking as the extension of retail banking and both DBS and UOB have started to provide Digital banking as an extension of their banking eco system. DBS launched digibank, a revolutionary mobile-only bank, which is branchless, paperless and signatureless, in India and Indonesia during 2016 and 2017, respectively. It is doing well in both markets, and today, they have over 2.5 million digibank customers in India and about 600,000 digibank customers in Indonesia. DBS bank is exploring and extending digibank to other markets where they have a limited physical presence. Digi Bank (digital bank in India) lets customers open accounts at designated places across the country, such as popular coffee chain Café Coffee Day. They need only their Aadhaar card, which contains the user's biometric information.



## 1. United Overseas Bank

Has kiosks in Thailand where customers can authenticate their identities to open an account with its digital bank TMRW. They need to upload a picture of their citizen identity card and fill in details on the bank app as part of the registration.

## OCBC Bank

Is the only one that does not have a prime digital bank and it has been using technology to facilitate services such as robo-investment advice and instant online account opening for SMEs.



# 1. EMERGENCE OF DIGITAL BANKS IN OTHER COUNTRIES

## ASEAN:

While Singapore, according to the World Bank, has a bank account penetration rate of about 98 per cent, the rest of the region is mostly under-banked.

MYANMAR	Lack of formal bank account	74%
INDONESIA	The region's most populous nation, has an unbanked rate	66%
VIETNAM	People have no bank accounts	69%
PHILIPPINES	People have no bank accounts	65%



# 1. EMERGENCE OF DIGITAL BANKS IN OTHER COUNTRIES

## **PHILIPPINES & INDONESIA:**

Philippines and Indonesia have the largest market potential among the major ASEAN markets due to their large unbanked segment and low household leverage



# 1. EMERGENCE OF DIGITAL BANKS IN OTHER COUNTRIES

## **MALAYSIA:**

Malaysia's Central bank announced to issue up to five licenses to new online banks offering either conventional or Islamic banking under a proposed licensing framework.

Malaysia has said it protects bidders, whose equity is controlled by local companies and maintain RM 100 million (S\$ 33 million) in capital initially and ramp that up to RM 300 million later.



# 1. EMERGENCE OF DIGITAL BANKS IN OTHER COUNTRIES

## **SOUTH KOREA:**

Kakao Bank, affiliated to the country's popular social media and mobile gaming company Kakao, managed to get two million customers in less than two weeks after it has launched in July 2017, and now has about nine million, equivalent to one-quarter of South Korea's working population.

Months later, the country's second virtual bank-K Bank- accepted 35,000 accounts on day one. By 2018, Kakao Bank and K-Bank were both reporting quite significant net losses, according to the Korea Federation of Banks. The Korean experience is a reminder that the journey to profitability for virtual banks is likely to be long and difficult.



# 1. EMERGENCE OF DIGITAL BANKS IN OTHER COUNTRIES

## INDIA:

The Steering Committee on Fintech has submitted its report to the finance ministry with recommendations on allowing the operation of Virtual Banks (Digital Banks) easing KYC procedures, implementing fintech to prevent fraud and incentivizing Non-Banking Financial Companies (NBFCs) to increase lending to the agricultural sector.



# 1. EMERGENCE DIGITAL BANKS IN OTHER COUNTRIES

## **CHINA:**

Since 2014, China has licensed four digital only banks – we bank backed by Tencents MYBANK, and Alibaba offshoot, Aibank backed by Baidu (Baidu is the equivalent of Google in China) and China CITIC Bank.

In China, MY Bank, which is backed by tech giant Alibaba, has served more than 16 million small businesses, 80 per cent of them first-time borrowers. Its biggest rival WeBank, backed by Tencent, which also runs the WeChat super-app, made more than 100 million loans in its first five years of business, most of them micro-loans ranging from US\$150 (S\$200) to US\$30,000.



# 1. EMERGENCE DIGITAL BANKS IN OTHER COUNTRIES

## **HONG KONG:**

The Hong Kong Monetary Authority ended up giving out eight licenses and the digital banks are in operation, since then.

The Monetary Authority has issued guidelines. Digital Banking in Hong Kong are affiliates of ALIBABA GROUP HOLDING, XIAOMI CORPORATION, and a consortia led by Standard Chartered Bank.



## 1. EMERGENCE DIGITAL BANKS IN OTHER COUNTRIES

### UK:

Britain's digital app-based banks that are attracting moneyed urban millennials Monese. During early 2000 Estonia born entrepreneur NORRIS KOPPEL arrived in Britain and spotted a major gap in UK banking for newly arrived foreigners who have trouble in opening bank accounts. MONESE serves those shunned by big banks. During the 5 years of operation, they have expanded 31 nations in Europe with 2 million customers.

'Goldman Sachs' digital bank called 'MARCUS' (refer the US leading para) quickly gathered more than 130b in deposits in the UK by offering some of the highest interest available, helping to drive up costs particularly the smaller banks that do not have access to cheap deposits from current account holders.



## 1. EMERGENCE DIGITAL BANKS IN OTHER COUNTRIES

### UK:

Customers who want to sign up for an account with Britain-based Monzo can download the start-up's app and provide a photo of a valid identity document such as passport or driving licence and record a short video of themselves.

As UK-based digibank Starling Bank Said in a statement: "While they can copy our features, they cannot copy our cost base."



# 1. EMERGENCE DIGITAL BANKS IN OTHER COUNTRIES

## **AFRICA:**

M-pesa, a branchless banking service, has provided mobile payment services in countries such as Kenya since 2007. With more than 38 million users in African countries, it has been touted as a gateway for households to gain full access to financial services in a safe and cost-efficient manner.



# 1. CONCLUSION

Digital banks are not expected to replace existing primary banking relationship for the majority of customers.

Certain type of transactions such as emergencies, wealth management, mortgage and insurance, still people prefer the conventional banks.

Digital bank account, customer will open as a supplementary and secondary account to enjoy the benefits they offer if they are popular and successful.

Countries like Singapore with great infrastructure and digitally transformed economy with the introduction of Digital Bank will become a smart city nation. The issue of Cyber security prevention of Money Laundering and countering terrorism financing are of big issues to be considered by the digital bank operators globally.



## 2. DIGITAL CURRENCY

When I want to talk about Digital Currency, I would like to talk also about CRYPTOCURRENCIES, and also about FACEBOOK'S "LIBRA" one of the cryptocurrencies.

Many of the central banks have recently said that they are planning to issue digital currencies called central bank digital currencies (CBCDs).



## 2. DIGITAL CURRENCY

Do not get yourself confused between Digital currencies and cryptocurrencies. Cryptocurrencies are not governed regulated by any government. They are in the internet. We talked about Digital Banking, you are aware of normal banking and digital banking in the same way you have hard currencies you have handled and digital currencies which are invisible and are in Digital Wallet.



## 2. DIGITAL CURRENCY

A century ago or 2/3 decades ago, the accounts were on paper, now they are on Electronic registers.

Presently only China and Singapore are in line forefront of creating the Digital currency. China's digital currency is creating more buzz than warranted. Talk of Digital Yuan taking over the US dollars is exaggerated as the Yan has not succeeded in becoming an international currency.

The Covid-19 pandemic has accelerated the digitalization of the value chain from warehousing to payments especially in Asia.

Limited interactions avoid social distancing and fears of infection from paper money have in turn led to less use of physical cash among the world. These factors have created an increased urgency in markets exploring and adapting central bank issued digital currencies.



## 2. DIGITAL CURRENCY OF CHINA

The People's bank of China (PBOC), China's central bank, started its digital currency project in 2014. The People's bank of China reportedly accelerated its development in 2019 after Facebook unveiled its own cryptocurrency, called Libra. There is currently no official date for when China will launch its digital currency.

The new REMIMBI represents a digital yuan that is backed by the government and is stored in a digital wallet instead of a bank account. The government's digital currency will be competing with other digital coins already being used in China, including Alibaba Group Holdings' Alipay and Tencent Holding's WeChat Pay.



## 2. DIGITAL CURRENCY OF CHINA

The China Daily reported that some government employees and public servants received part of their May's salaries in the digital currency form. Others reportedly got the digital currency via transport subsidies. There is also talk of testing on a wider scale during the Beijing Winter Olympics in 2022.

Presently, the mobile app purchases, which account for about 16% of China's GDP.



## 2. CRYPTOCURRENCIES

A cryptocurrencies is a digital or virtual currency that uses cryptography for security. A cryptocurrency is difficult to counterfeit because of this security feature. Many cryptocurrencies are decentralized systems based on blockchain technology, a distributed ledger enforced by a disparate network of computers.

The first blockchain-based cryptocurrency was Bitcoin, which still remains the most popular and most valuable. Today, there are thousands of alternate cryptocurrencies with various functions or specifications.



## 2. CRYPTOCURRENCIES

As of October 2018, there were over 17.33 million bitcoins in circulation with a total market value of around \$115 billion.

Today, there are literally thousands of cryptocurrencies in existence, with an aggregate market value of over \$200 billion (Bitcoin currently represents more than 50% of the total value).



## 2. CRYPTOCURRENCIES

Cryptocurrencies hold the promise of making it easier to transfer funds directly between two parties in a transaction, without the need for a trusted third party such as a bank or credit card company. These transfers are facilitated through the use of public keys and private keys for security purposes. In modern cryptocurrency systems, a user's "wallet" or account address has the public key and the private key is used to sign transactions. Fund transfers are done with minimal processing fees, allowing users to avoid the steep fees charged by most banks and financial institutions for wire transfers.



## 2. CRYPTOCURRENCIES

Cryptocurrencies lost US\$42B after the exchange was hacked in South Korea during early 2018.

You can visit ATM machines at FUNNAN CENTRE and at PLAZA SINGAPURA SHOPPING MALL in Singapore, to buy or sell cryptocurrency like “BITCOIN” and other major currencies.

Security tokens, initial coin offerings like (initial Public offering of shares) are prevalent today in financial eco system. I will talk about on a different day.



## 2. CRYPTOCURRENCES

Have exhibited extreme volatility, limited throughput capacity, unpredictable transaction costs, limited or no governance, limited transparency.



## 2. CRYPTOCURRENCIES

HONGKONG – GIVES IN PRINCIPLE APPROVAL TO LICENSE CRYPTO EXCHANGE OSL DIGITAL SECURITIES. It plans to provide service to financial institutions wishing to trade cryptocurrencies. Since you are regulated it is easy to engage with other regulated entities.



### 3. DIGITAL ECONOMY

The world as we know it is continually changing, and one of the fundamental drivers is digital transformation. At its core, digital transformation isn't about Internet "unicorns". It's about using the latest technology to do what you already do – but better.

The global economy is undergoing a digital transformation as well, and it's happening at breakneck speed.



### 3. DIGITAL ECONOMY

So, what is the digital economy?

It's the economic activity that results from billion of everyday online connections among people, businesses, devices, data and processes. The backbone of the digital economy is hyper-connectivity which means growing interconnectedness of people, organizations, and machines that results from the Internet, mobile technology and the internet of things (IoT).



### 3. DIGITAL ECONOMY



**UBER**, the world's largest taxi company, owns no vehicles



**FACEBOOK**, the world's most popular media owner, creates no content



**ALIBABA**, the most valuable retailer, has no inventory



**AIRBNB**, the world's largest accommodation provider, owns no real estate

**Something interesting is happening.**

An estimated 70% of new value created in the economy over the next decade will be based on digitally enabled platform business models. However, 47% of the world's population remain unconnected to the internet.



### 3. DIGITAL ECONOMY

The World Economic Forum and the Group of Twenty define the digital economy as a broad range of economic activities that use digitized information and knowledge as key factors of production, modern information networks as an important activity space, as well as information and communications technology to drive productivity growth

To put it simply, the digital economy is organized, enabled and facilitated by technology ranging from computers, Internet to emerging ones like artificial intelligence and the Internet of Things



### 3. DIGITAL ECONOMY

As the relentless march of technology leaves its mark across industries, some jobs have changed some have disappeared. While some became obsolete, others now demand new skills such as programming and data analytics.

Digitalization enables small countries like Singapore to transcend size and geography, and helps enterprises to penetrate new markets.





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# Singapore Taxation Funds & Fund Management Companies

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# Fund Industry Landscape

## Fund Structure

1. Variable Capital Company
2. Unit Trust
3. Private Ltd Company
4. Limited Partnership

## Fund Management Entities

1. Capital Market Service License (CMSL)
  - Retail Fund Management Companies
  - Accredited Institutional Fund Management Companies (AIFMC)
2. Venture Capital Fund Management (VCFM)
3. Registered Fund Management (Exempt Formerly Known as Fund Management Company) (RFMC)



## **ACCREDITED INVESTORS – INDIVIDUAL & COMPANY**

Accredited investor is defined in the Securities and Futures Act (Cap 289) of Singapore

### **AN INDIVIDUAL**

(A) Whose net personal assets exceed in value of S\$2 million (or its equivalent in a foreign currency)

House property minus the liability is considered up to S\$1 million out of the S\$2 million

(A) Whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its equivalent in a foreign currency)

Individual financial asset means a deposit, investment product including securities, securities-based and other derivatives contracts, collective investment schemes, and life policies or any other asset

OR

(C) Whose income in the preceding 12 months is not less than S\$300,00 (or its equivalent in a foreign currency)

### **COMPANY**

A corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency)



# **ECONOMIC SUBSTANCE – OECD PRINCIPALS**

OECD Financial action Task Force introduced BEPS (Base erosion and profit shifting) POEM (Place of Effective Management) regulations.

OECD has also introduced ECONOMIC SUBSTANCE REPORTING to justify the presence and operations of companies in the tax heaven countries.

The economic substance reporting required the following activities carried out by Companies;

Banking, insurance, fund management, lease, shipping, intellectual property, distribution and service, headquarters and holding companies



# **REDOMICILING OF COMPANIES**

The Companies act of Singapore was amended for redomiciling of companies established elsewhere into Singapore and would like to enjoy the benefit of Singapore.

## **JURISDICTION**

They can also enjoy over tax treaties Singapore has entered into various countries.



# SINGAPORE GLOBAL FINANCIAL CENTRE

## Global Financial Centre:

Singapore is the fourth largest FINANCIAL CENTRE in the world, handling 4.0 trillion dollars of Asset Under Management (AUM). The AUM grew 15.7% during the year 2019. The Global AUM is about US\$88.7 Trillion (S\$123T)

1. LONDON

2. NEW YORK

3. HONG KONG

4. SINGAPORE

## Foreign Exchange Centre:

Singapore ranks as the 3<sup>rd</sup> largest FOREIGN EXCHANGE CENTRE in the world for FX trading:

1. London US\$2.6T    2. New York US\$0.995B    3. US\$0.508B



# **LUXEMBOURG – PIONEER OF MUTUAL FUNDS & VARIABLE CAPITAL COMPANIES**

- LUXEMBOURG become the first country to implement the undertakings for the COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES (CITS) directive into national law for the management and sale of mutual funds.
- LUXEMBOURG has over 4.8 Trillion Euros (\$7.7 TRILLION) in assets under management (AUM) second only to the United States.
- LUXEMBOURG handles 62 percent of cross-border investment funds worldwide from over 70 countries, and 98 of the top 100 asset managers globally have funds domiciled in the small European duchy.



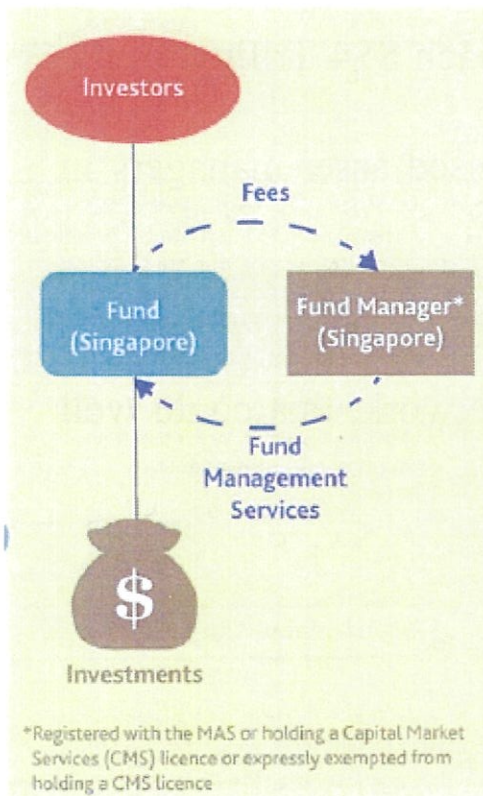
# **SINGAPORE – LUXEMBOURG OF ASIA**

- The Asset Management industry grew by 15.7% during the year 2019 to reach S\$4 Trillion in the Asset Under Management (AUM). There are now 895 registered and licensed asset managers in Singapore.
- For Jan 2020, ACRA launched the Variable Capital Company (VCC) frame work, that could well set Singapore on the way to becoming LUXEMBOURG of Asia



# ONSHORE FUNDS TAX INCENTIVE SCHEME

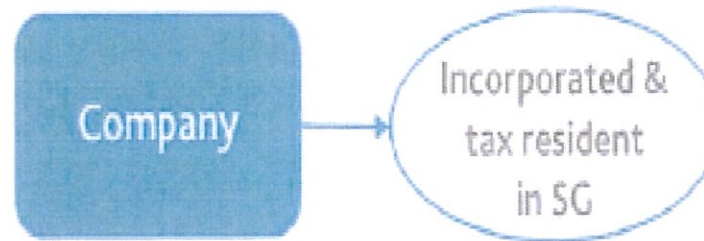
## Section 13R of the Singapore Income Tax Act (SITA)



### Tax Treatment

Tax exemption on *Specified Income from Designated Investments*, derived by an **Approved Company** arising from funds managed in SG by a fund manager.

### Conditions at a Glance – Approved Company

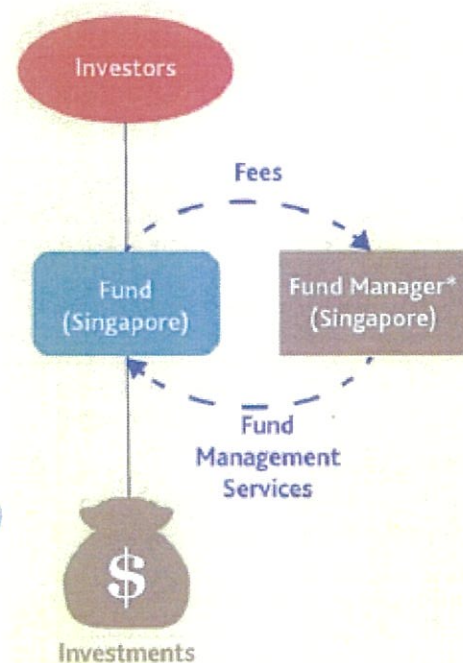


Less than 100% of the value of the Company's issued securities is beneficially owned by persons who are (i) SG citizen; (ii) resident in SG; or (iii) have a Permanent Establishment (PE) in SG.



# ONSHORE FUNDS TAX INCENTIVE SCHEME

## Section 13R of the Singapore Income Tax Act (SITA)



\*Registered with the MAS or holding a Capital Market Services (CMS) licence or expressly exempted from holding a CMS licence

- At least SGD 200,000 local business spending per year.
- No change in investment strategy/objective after approval by the MAS.
- Uses a SG-based fund administrator.
- Approval required from the Monetary Authority of Singapore (MAS).

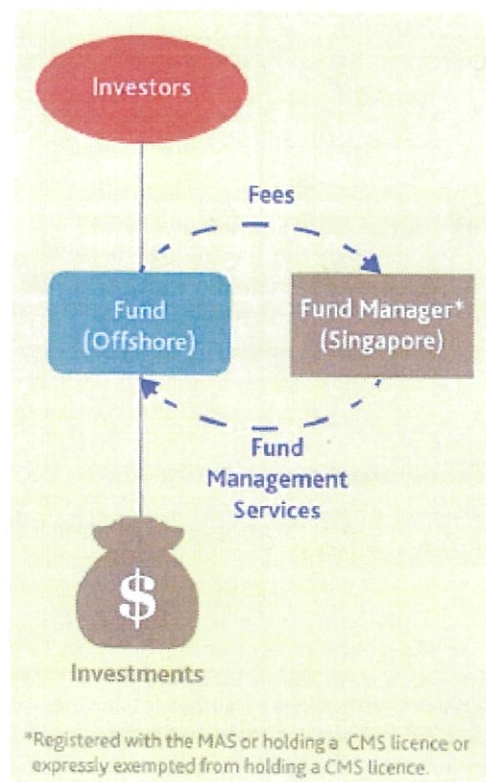
### Non-qualifying investors (NQIs)

On the *Relevant Day* if the NQIs, either alone or together with his associates, beneficially owns issued securities of the Approved Company the value that is greater than the Prescribed Percentage, the NQIs shall be liable to pay the Comptroller of Income Tax (CIT) a financial penalty to be computed in accordance with a specified formula.



# OFFSHORE FUNDS TAX INCENTIVES SCHEME

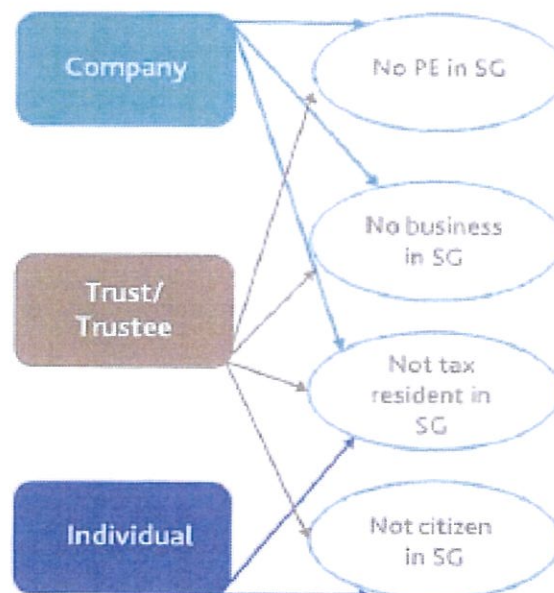
## Section 13CA of the SITA



### Tax Treatment

Tax exemption on *Specified Income from Designated Investments*, derived by any **Prescribed Person** arising from funds managed in SG by any fund manager.

### Conditions at a Glance – Prescribed Person



Less than 100% of the value of the Company's issued securities is beneficially owned by persons who are (i) SG citizen; (ii) resident in SG; or (iii) have a Permanent Establishment (PE) in SG.

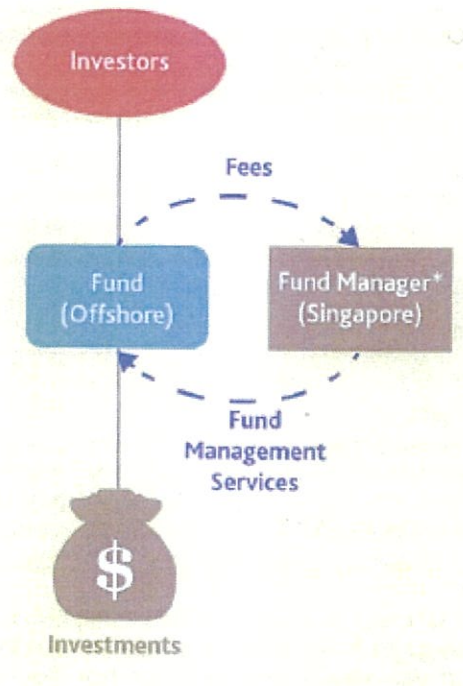
Less than 100% of the value of the Trust is beneficially owned by persons who are (i) SG citizen; (ii) resident in SG; or (iii) have a PE in SG

Beneficial owner of the funds



# OFFSHORE FUNDS TAX INCENTIVES SCHEME

## Section 13CA of the SITA



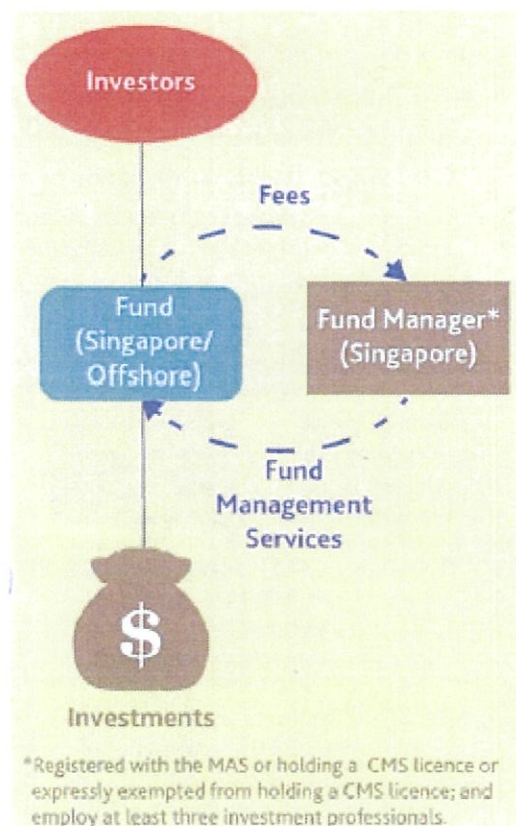
- No approval required from the MAS.
- On the *Relevant Day* if the NQIs, either alone or together with his associates, beneficially owns issued securities of the Prescribed Person, the value that is greater than the *Prescribed Percentage*, the NQIs shall be liable to pay the CIT a financial penalty to be computed in accordance with a specified formula.

\*Registered with the MAS or holding a CMS licence or expressly exempted from holding a CMS licence.



# ENCHANCED-TIER FUNDS TAX INCENTIVES SCHEME

## Section 13X of the SITA



### Tax Treatment

Tax exemption on *Specified Income from Designated Investments*, derived by an **Approved Person** arising from funds managed by a fund manager in SG.

### Conditions at a Glance – Approved Person

#### Company

- Have a minimum fund size of SGD 50million at the point of application.
- At least SGD 200,000 local business spending per year

#### Trust/ Trustee

- Uses a SG-based fund administrator if the fund is a SG incorporated and tax resident company

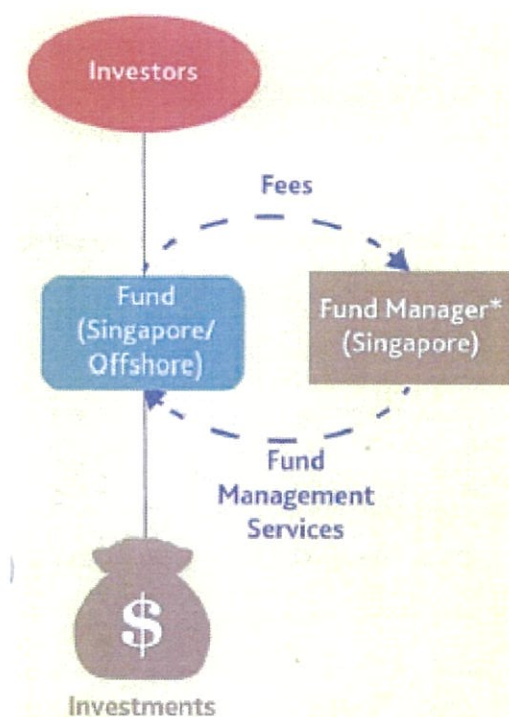
#### Limited Partnership

- Cannot concurrently enjoy other tax incentives
- Approval required from the MAS.



# ENCHANCED-TIER FUNDS TAX INCENTIVES SCHEME

## Section 13X of the SITA



\*Registered with the MAS or holding a CMS licence or expressly exempted from holding a CMS licence; and employ at least three investment professionals.

- No change in investment strategy/objective after being approved by the MAS
- No restriction on SG tax resident investors and hence the financial penalty is not applicable

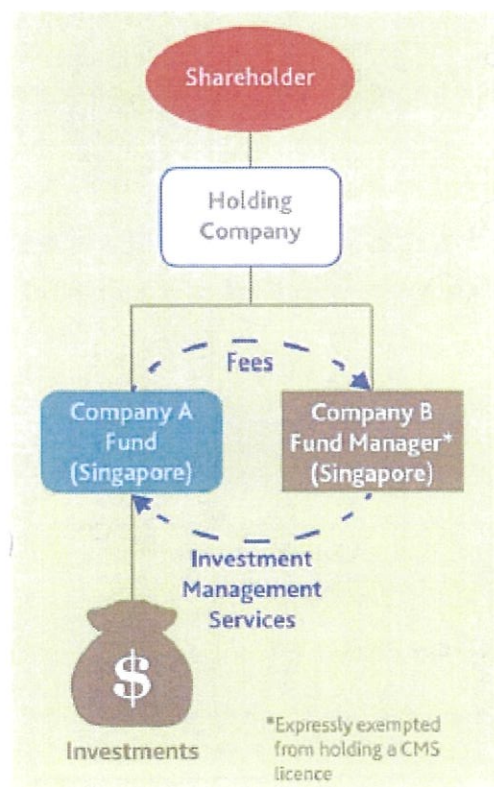
### Enhancement of the Scheme

- From 1 April 2015, this scheme has been enhanced to allow master and feeder funds and Special Purpose Vehicles within a master-feeder fund structure to apply for the scheme, subject to meeting the relevant conditions on a collective basis.



# FAMILY OFFICE

## Applicability of Fund Incentives



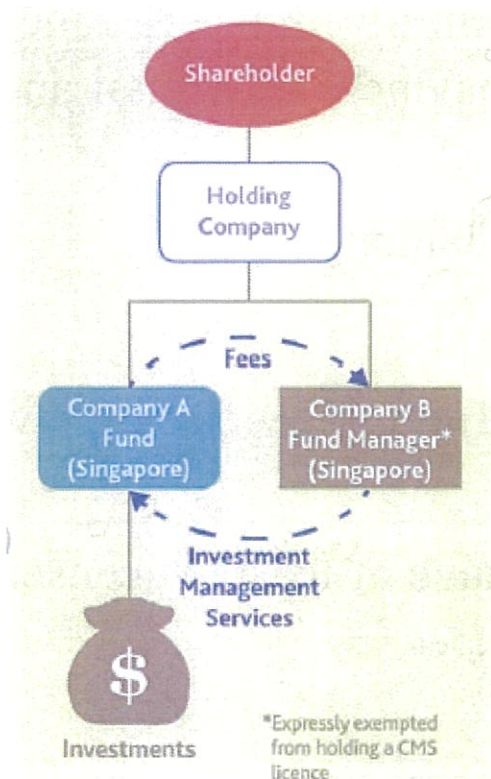
### Family Office

- Family offices typically are entities which assume day-to-day management and administration of the assets and wealth of high net worth individuals or families.
- The reasons for setting up a family office vary, but generally for the purposes of ensuring a smooth intergenerational transfer of wealth, reducing intra-family disputes, governance and management structure, alignment of interest, potential higher returns, centralisation of risks and services, succession planning, etc.



# FAMILY OFFICE

## Applicability of Fund Incentives



### Applicability of Fund Incentives (a possible structure)

- The Fund may be set up in the form of a SG incorporated company (i.e. Company A), which will be wholly owned by a holding company. The holding company will in turn be owned by an individual Shareholder.
- The Shareholder, owning bankable assets, will inject these assets into the Fund.
- The Shareholder will set up another SG incorporated company (i.e. Company B) which is also wholly owned by the holding company to act as the fund manager of the Fund.
- As both the Fund and Company B are wholly owned by the Shareholder and there are no third party funds under management, Company B should be exempt from the requirement to be licensed or registered under the Securities and Futures Act.
- Subject to certain conditions, the Fund may be able to qualify under the fund incentive schemes (i.e. Section 13R or Section 13X) and enjoy tax exemption.



# **BRIEF INFO ABOUT VARIABLE CAPITAL COMPANIES**

- VCC act introduced during January 2020 offers greater flexibility in the issuance and redemption of funds, sub-funds and shares as well as payment of capital and dividends.
- Till now 109 VCC funds setup in Singapore by ACRA from January 2020.
- Funds and sub-funds are registered with MAS
- 2 Model Constitution (one open ended and one close ended) are provided by law society to assist the growth of VCC
- One of the VCC criteria is that the Singapore office must have at least 2 licensed professionals.



# **TAXATION OF VARIABLE CAPITAL COMPANIES**

## **DIVIDEND**

Dividends paid by a company resident in Singapore are exempt from tax in the hands of the shareholders of the Company.

Likewise distributions made by a VCC with its tax residence in Singapore are exempt from tax in the hands of its shareholders. INCOME TAX Sec 13(1)(za) of the Income Tax act read with Sec 107 (1) of the same act.

## **COMPANY LEVEL**

VCC approved for Enterprise Singapore (ESG) for the sec 13H tax incentive are exempt from tax for up to 15 years on specified income from the investments (ESG approval is for 5 years to start with).

To qualify for this tax exemption, VC funds must obtained the necessary approval from MAS, commit to invest a certain percentage of their subscribed capital at Singapore.



# **TAXATION OF VENTURE CAPITAL & PRIVATE EQUITY INVESTMENTS**

Corporated income tax & Capital gains tax

There is no capital gains tax on gains delivered from the disposal of capital investments. The divesting company gains from the disposal of the ordinary shares in an investee company are tax exempt of

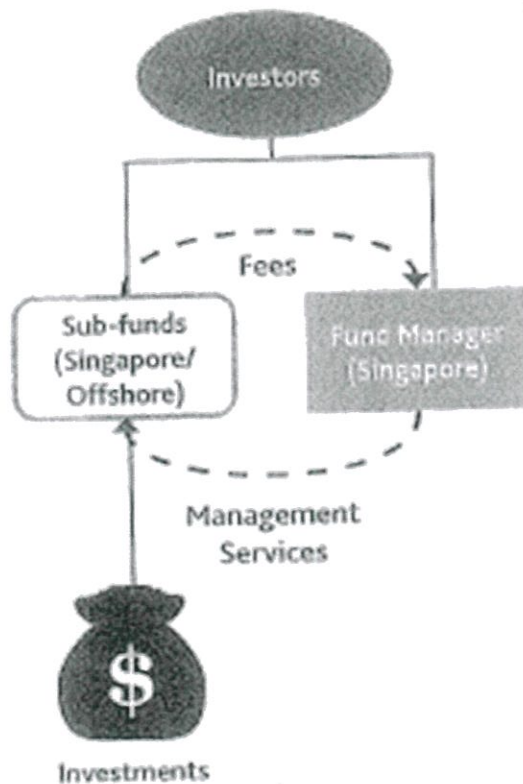
The divesting company is the legal and beneficial owner give shares immediately prior to the share disposal, the divesting company holds a minimum share holding of at least 20% of the investee company

The divesting company has held this interest continuously for a minimum of 24 months

The disposal is made between 1 June 2012 and 31<sup>st</sup> December 2027 (Both dates inclusive)



# TAXATION OF VARIABLE CAPITAL COMPANIES



- A VCC is a new legal entity/structure for investment funds
- VCCs are companies which are not required to disclose their register of shareholders to the public
- It's financial statements are not required to be publicly accessible
- The VCC has to be managed by a permissible, or regulated fund manager
- Allows for sub-funds within an umbrella structure
- Allows for a variety of investment strategies
- Provides flexibility in the distribution and reduction of capital
- Foreign corporate entities set up as funds could be inward re-domiciled as VCCs
- Achieve cost efficiencies by consolidating administrative functions at the umbrella fund level
- Able to utilize SG's extensive network of tax treaties





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