



International Fiscal Association

ASIA PACIFIC REGIONAL TAX CONFERENCE

“GLOBALISATION OF TAX RULES IN A DE-GLOBALISING WORLD”

Marina Bay Sands Hotel
August 16-17, 2023

1



Funds & Family Offices

Assets under Management



\$ 4 Trillion



\$ 4.5 Trillion



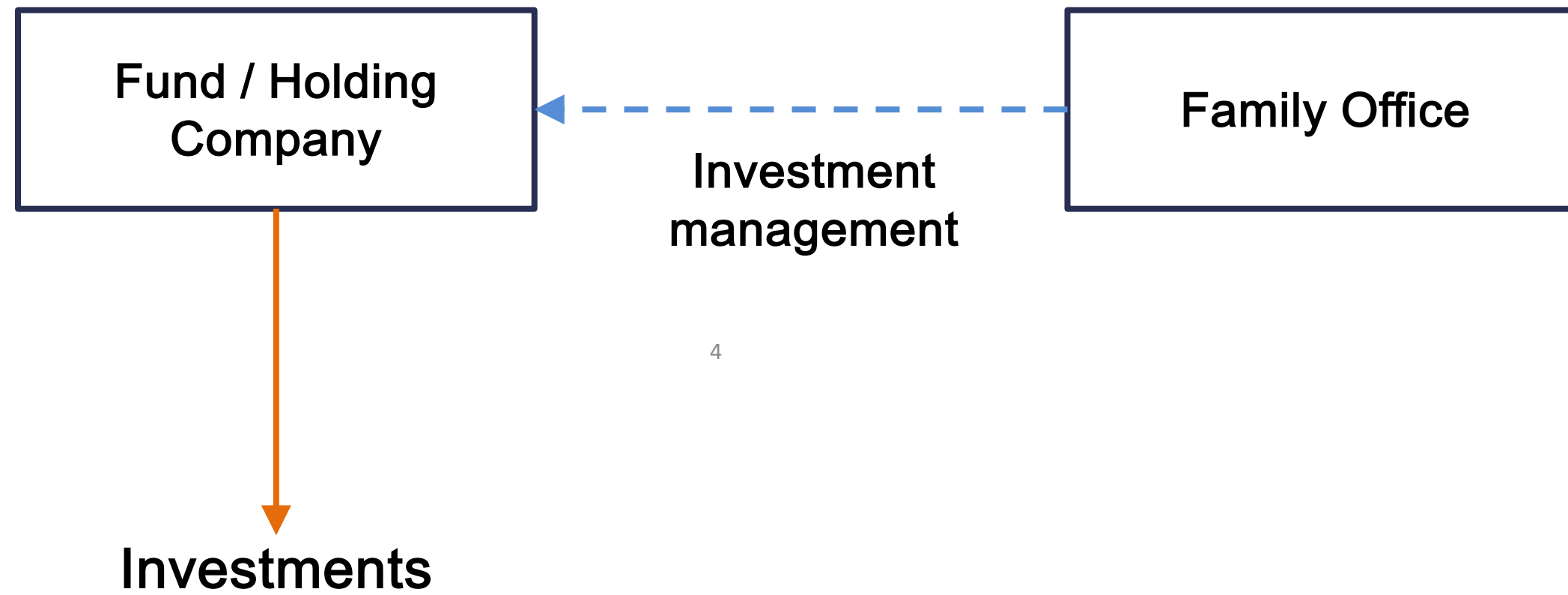
\$ 1.2 Trillion



3



Family Office 101



4



Singapore Family office incentive: New Conditions



Criteria	S.13U Tax Exemption	S.130 Tax Exemption
Minimum AUM	S\$ 50m	S\$ 20m
Investment Professionals	3 (1 non-family member)	2 (1 non-family member)
Minimum local business spending	S\$ 500,000 (AUM S\$50m to S\$100m) S\$ 1,000,000 (AUM above S\$100m) (offset for eligible charitable donations and grants to specific blended finance structures)	S\$ 200,000 (AUM below S\$50m) S\$ 500,000 (AUM S\$50m to S\$100m) S\$ 1,000,000 (AUM above S\$100m) (offset for eligible charitable donations and grants to specific blended finance structures)
Minimum local investment	10% of AUM or S\$10m	10% of AUM or S\$10m



Hong Kong Family office incentive



Profits Tax Concession	<ul style="list-style-type: none"> Concessionary profits tax rate (0% for YA 2022/23) for assessable profits of Family Investment Holding Vehicle (“FIHV”) or Family-owned Special Purpose Entities earned from Qualifying transactions and Incidental transactions
Qualifying Transactions	<ul style="list-style-type: none"> Qualifying Transactions: Transactions in Specified Assets which must be carried out in HK by or through an Eligible Single Family Office (“ESFO”), or arranged in HK by ESFO Incidental Transactions: Subject to 5% threshold Specified Assets: Securities, Shares of Private Company, Future Contracts, Deposits made with bank, Certificates of Deposits, Foreign Currencies etc.
Key Requirements	<ul style="list-style-type: none"> Legal Form of FIHV: Corporation, partnership or trust (whether formed in or outside HK) Ownership of FIHV: ≥ 1 Family Member must have ≥ 95% beneficial interest (direct or indirect) Management / Control of FIHV: (i) Normally managed / controlled in HK and (ii) Managed by ESFO ESFO: (i) Private company normally managed / controlled in HK, (ii) Provide services to Specified Persons of the Family and such service fees are chargeable to profits tax and (iii) ≥ 75% of the assessable profits of the ESFO should derive from (ii)
Minimum AUM	Aggregate Value of Specified Assets must be ≥ HK\$ 240m (~US\$ 30m)
Investment Professionals	2
Minimum local operating expenditure	HK\$ 2m (~US\$250,000)

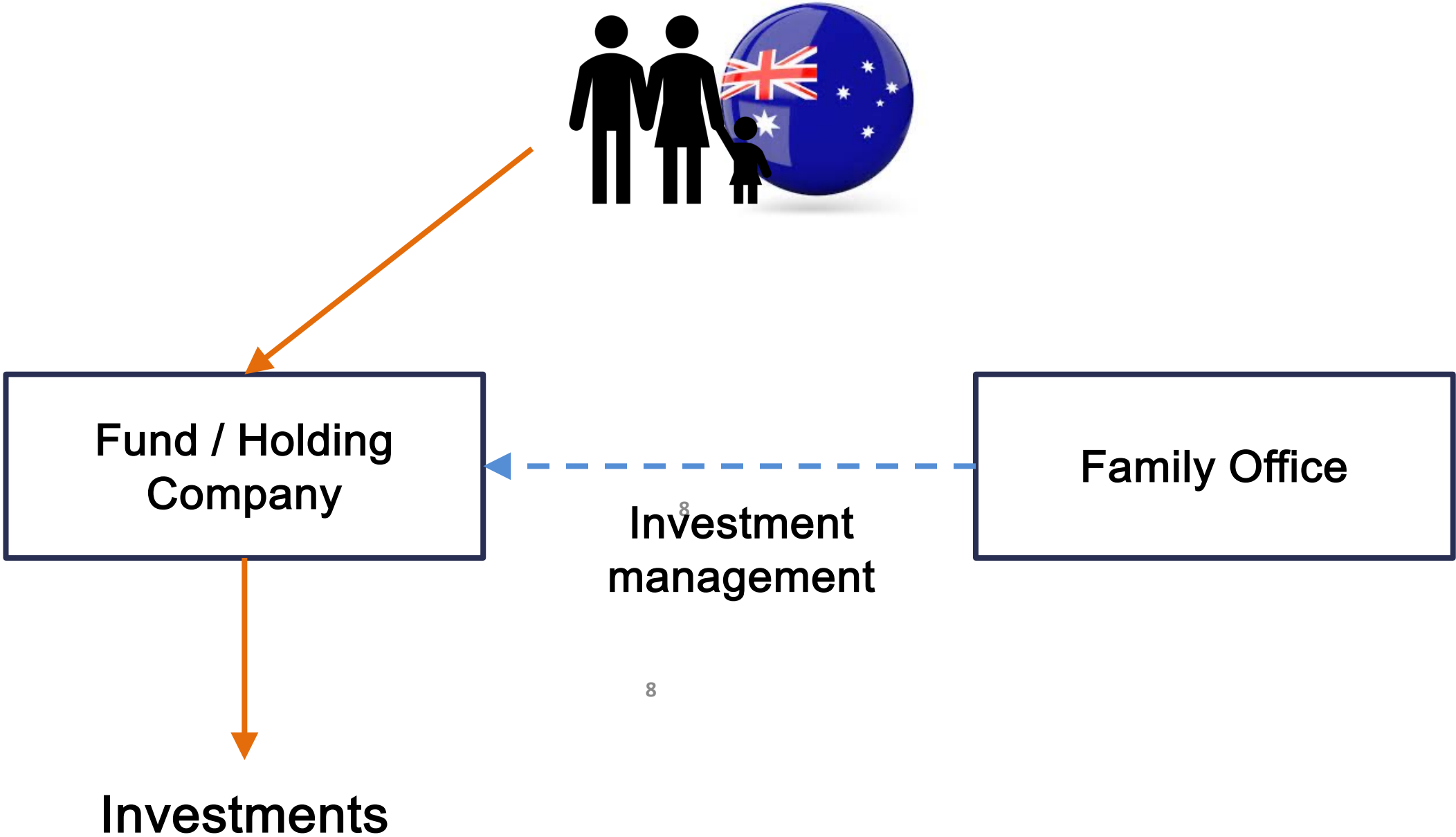


UAE Family Office Incentives

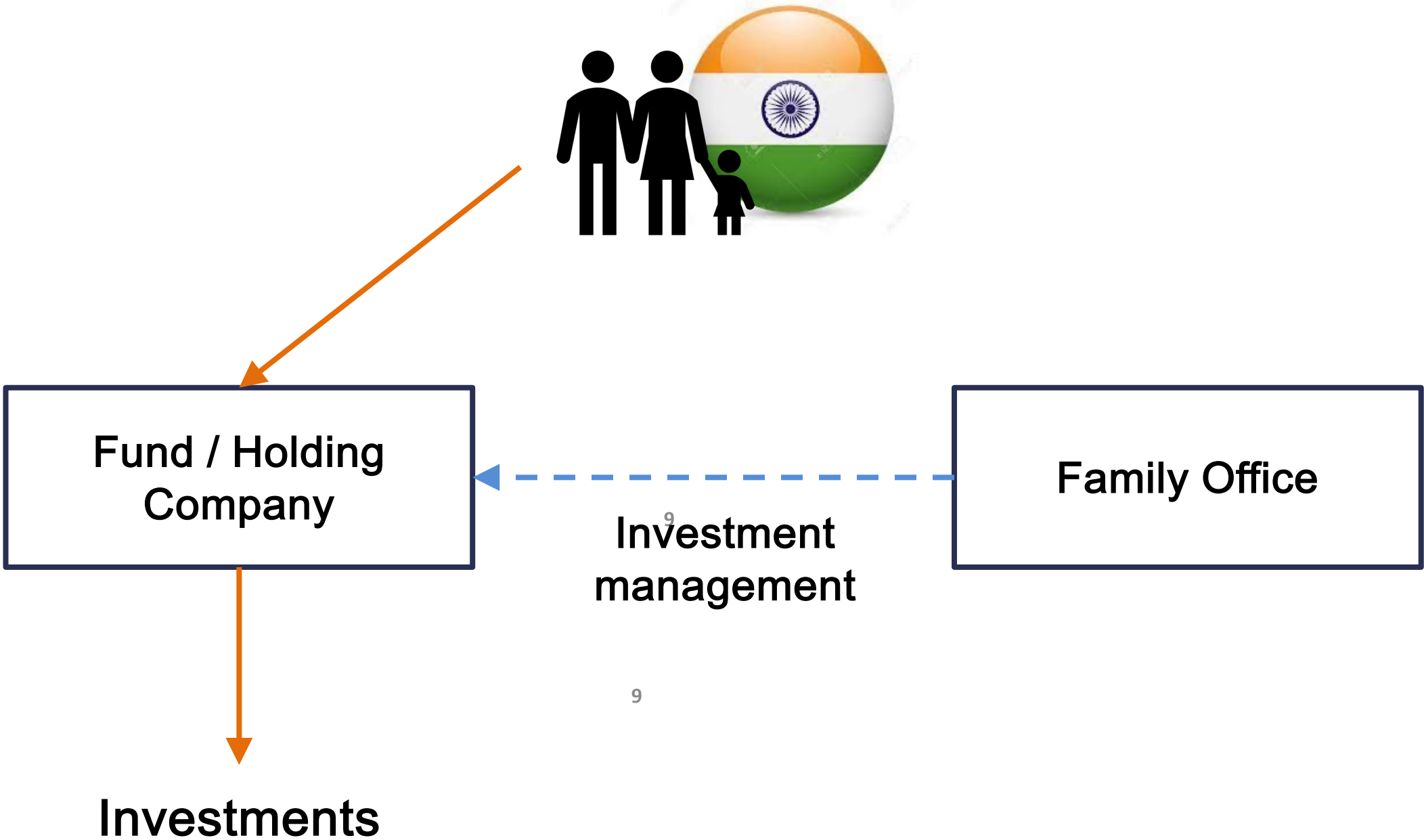


Criteria	DIFC	DMCC	ADGM
Minimum share capital	\$ 50,000	AED 50,000	--
Minimum liquid assets	S\$ 10m ⁷	\$ 1m	--

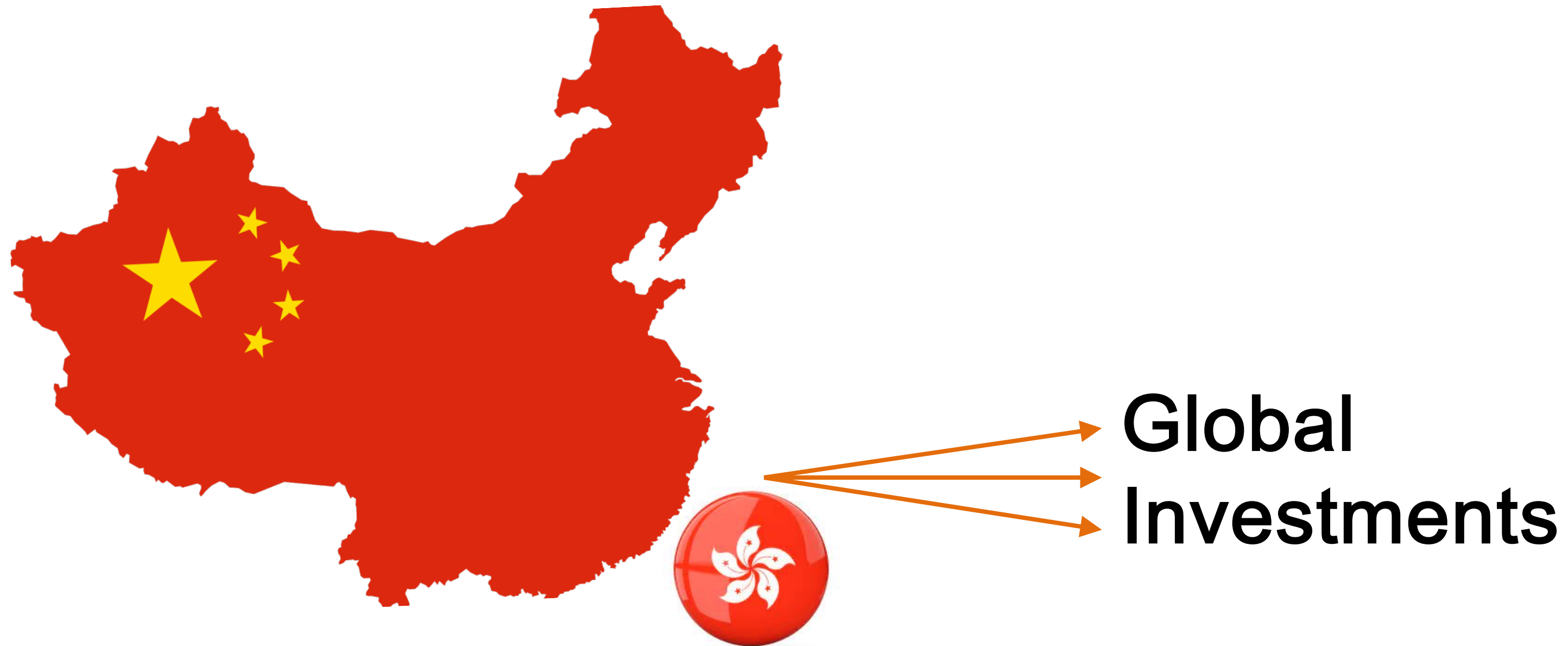
Wealthy Australians investing globally and establishing family offices



Indian families investing globally and establishing family offices



Chinese families investing globally



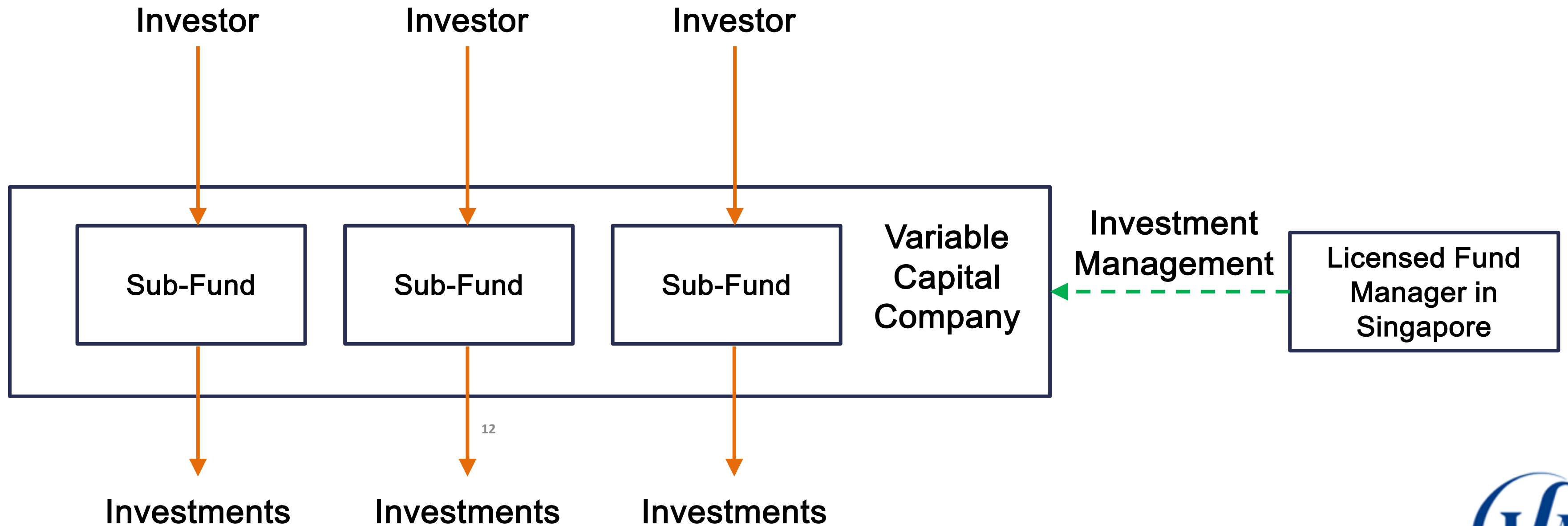
Institutional fund structures

OFFSHORE **Vs** ONSHORE

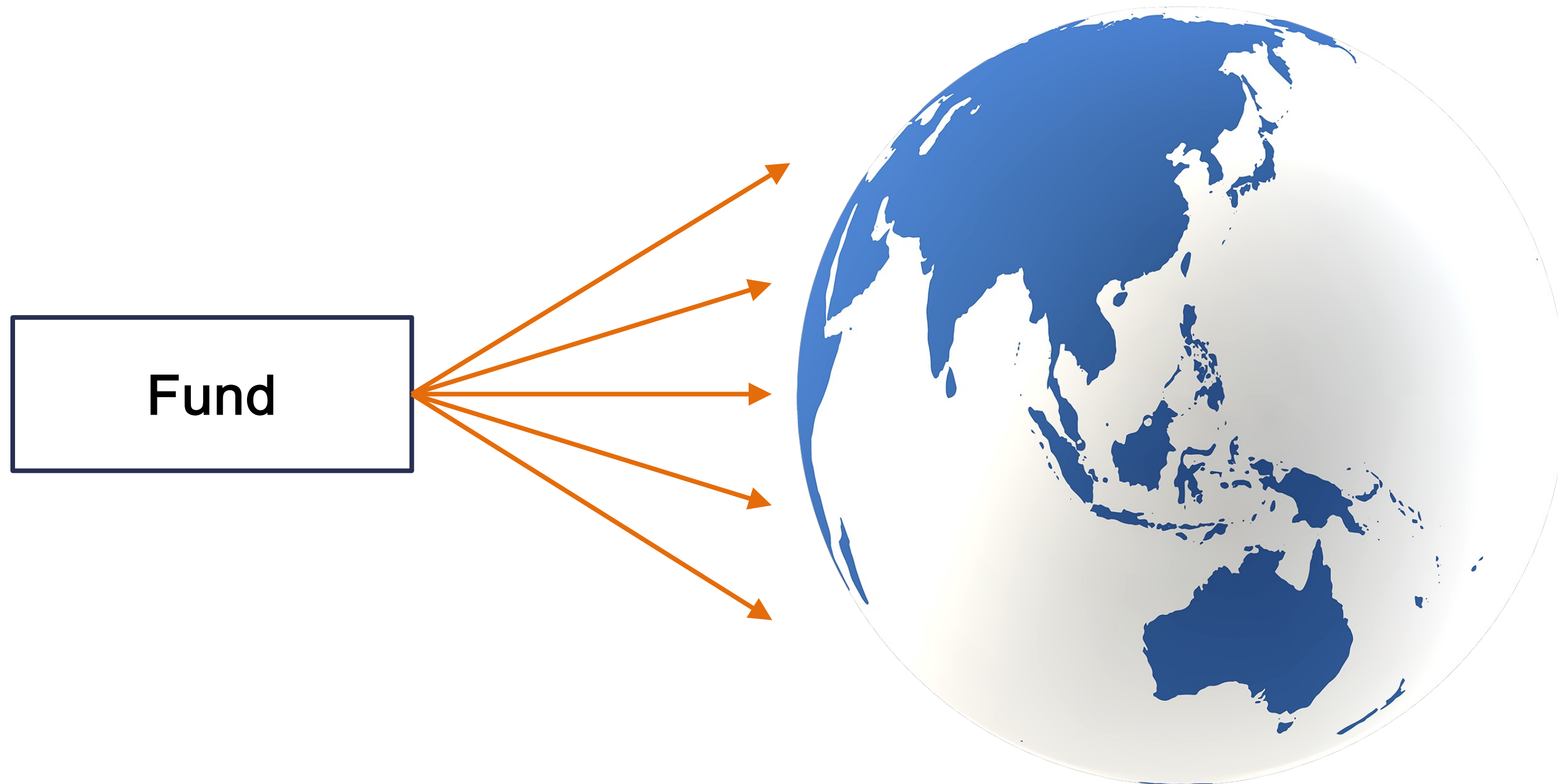


VCC becoming a popular fund

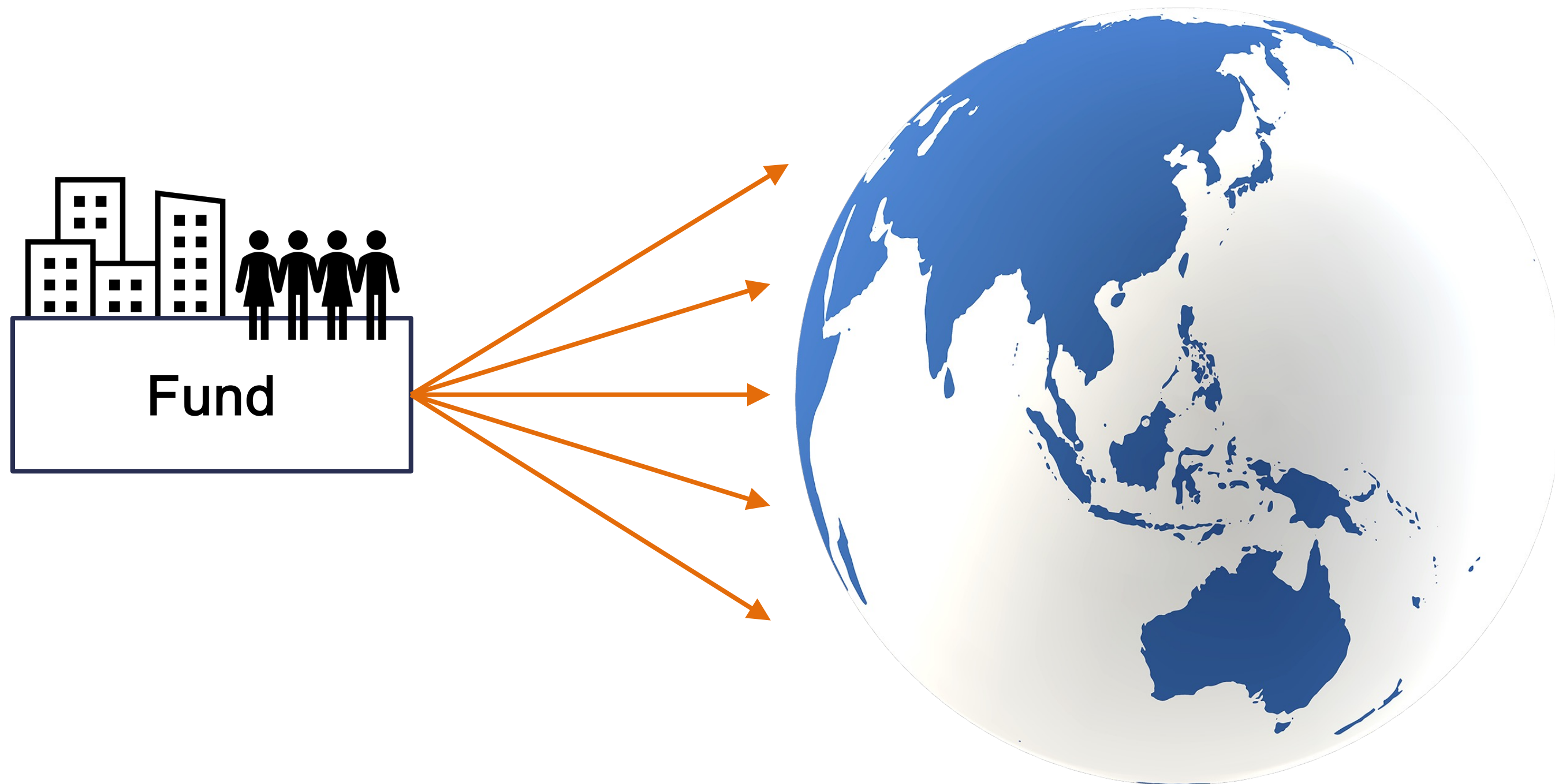
vehicle



Key tax challenges in source country



Establishing Substance

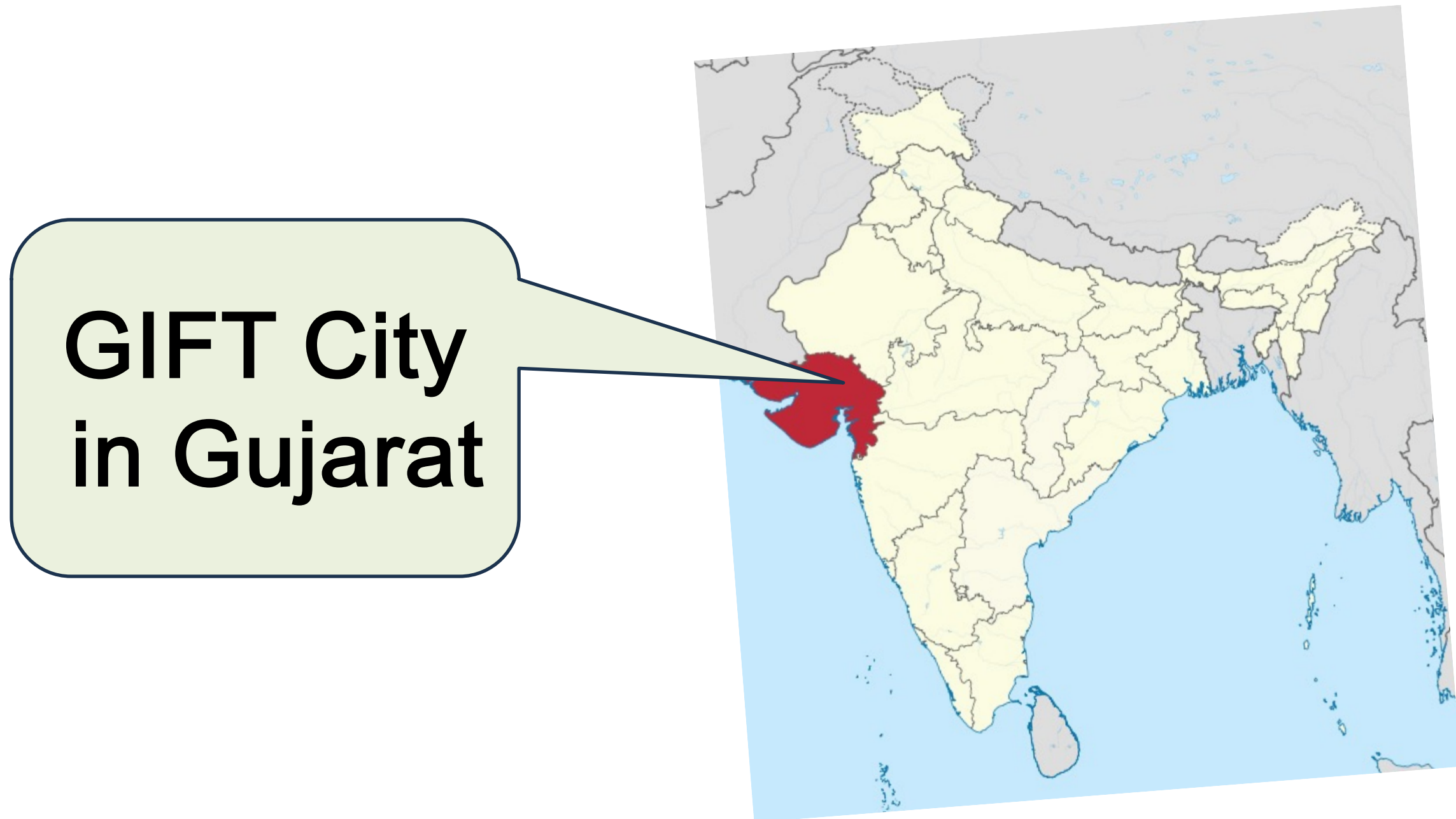


New S.10L and Substance Requirements in Singapore

Pure Equity Holding Entity	Other Entities
<ul style="list-style-type: none">• Regular returns and corporate compliances.• Operations managed or performed in Singapore by employees or other persons.	<ul style="list-style-type: none">• Carry on trade or business in Singapore.• Operations managed or performed in Singapore by employees or other persons.• Reasonable economic substance factoring number of employees, qualifications, business expenditure in Singapore and place of making key decisions



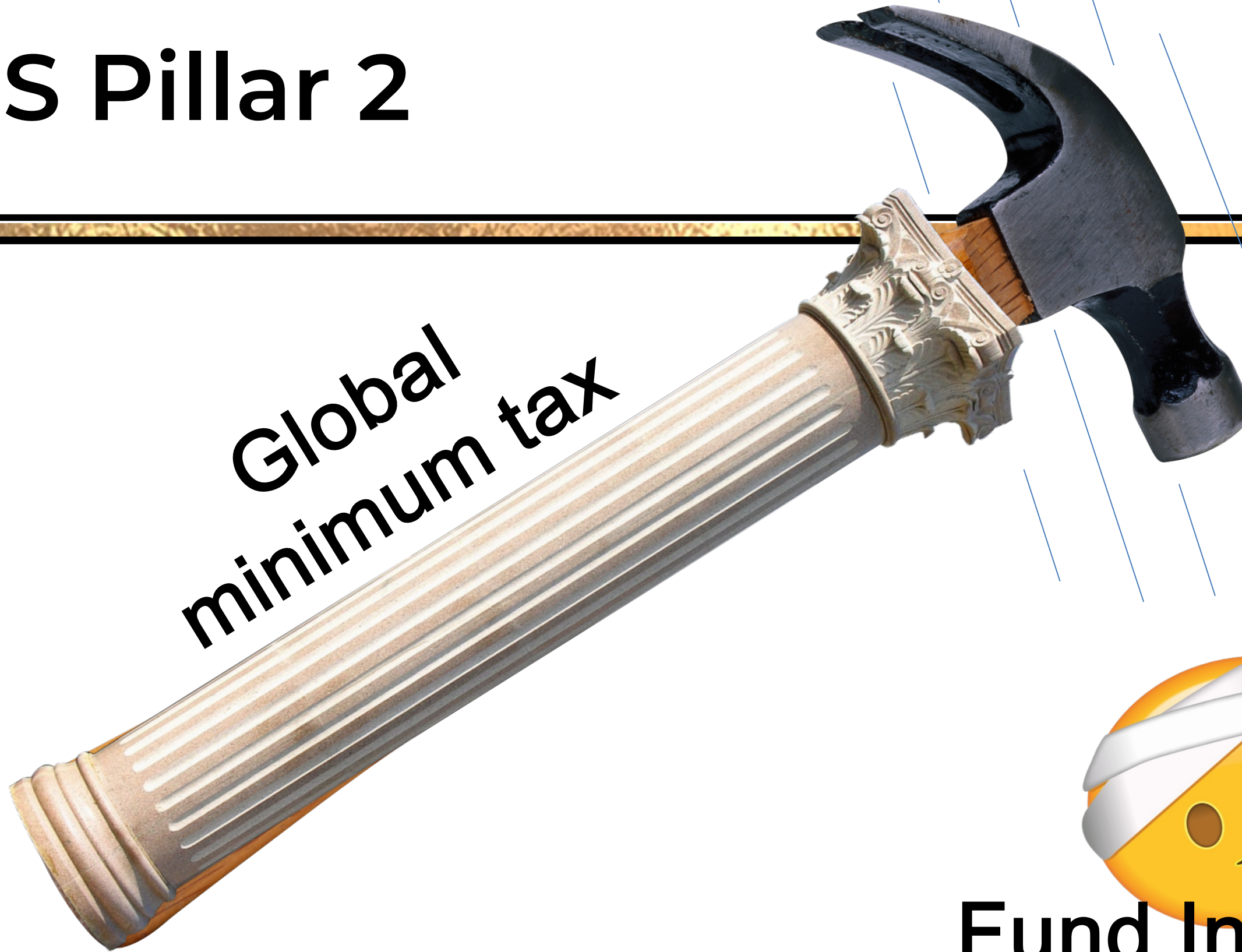
India's new investment freezone



**GIFT City
in Gujarat**

BEPS Pillar 2

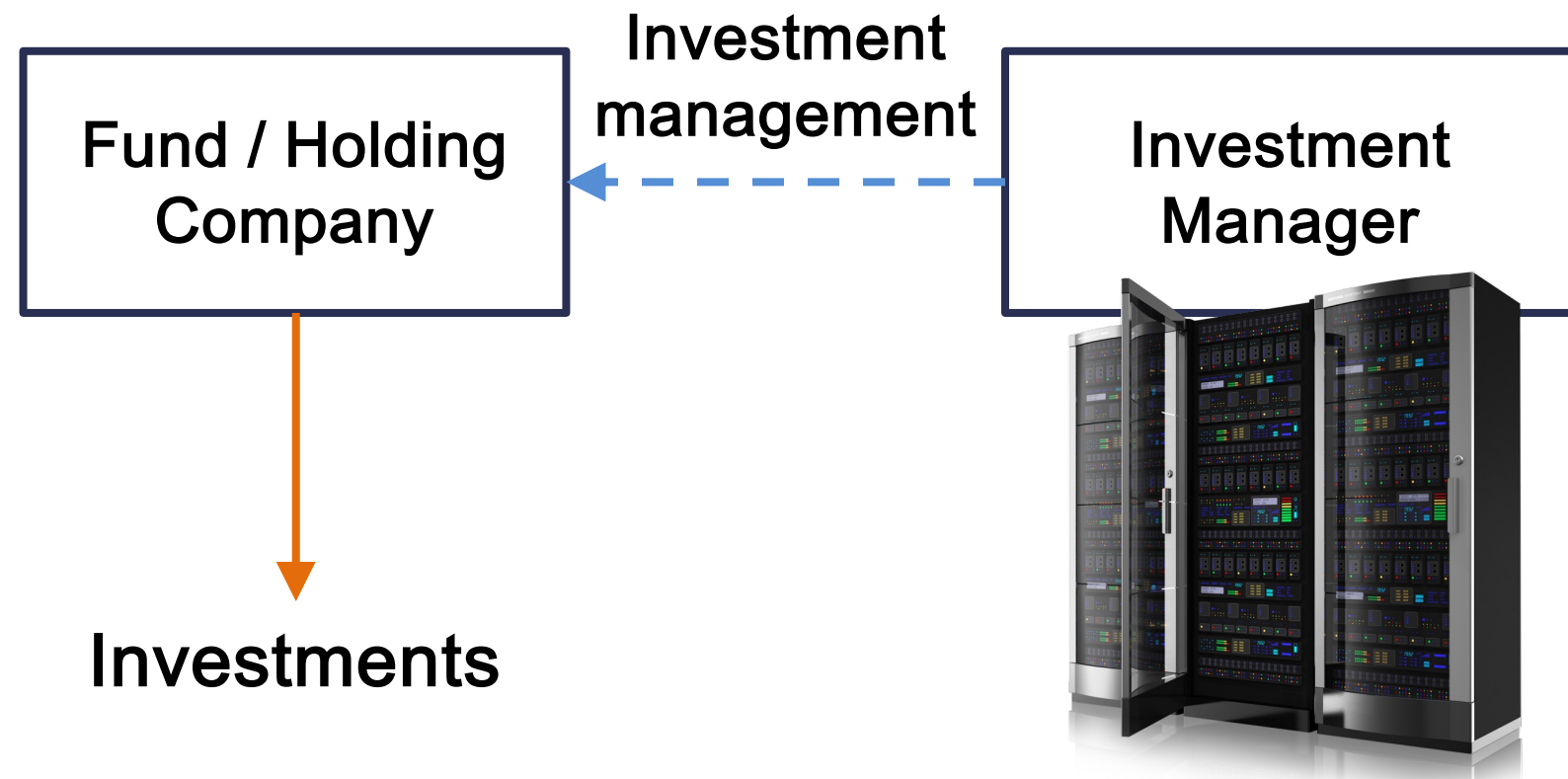
Global
minimum tax



Fund Industry



A.I. , Funds & Tax



ChatGPT and A.I. might have a future as your portfolio manager, study suggests

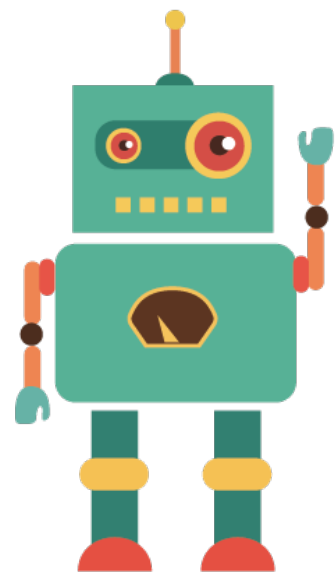
ChatGPT 'portfolio' outperforms leading UK funds

ChatGPT can pick stocks better than your fund manager

Ask ChatGPT



Will AI replace tax advisors?



While AI can be a number-crunching wizard, the human touch and understanding that tax advisors bring to the table might just keep them safe from silicon competitors. After all, who else will reassure you that your fear of audits is perfectly normal?

THANK YOU

20

