

PANORAMIC

# CREDIT FUNDS

Singapore



LEXOLOGY

# Credit Funds

Contributing Editor

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Simmons & Simmons

**Generated on: September 18, 2025**

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# Contents

## Credit Funds

### MARKET AND POLICY CLIMATE

- Market snapshot
- Government and regulatory policy

### FORMATION AND MANAGEMENT

- Forms of vehicle
- Unregulated fund vehicles
- Formation process
  
- Substance requirements
- Access to information
- Investor liability
- Fund manager's fiduciary duties
- Gross negligence
  
- Other special issues or requirements
- Fund sponsor insolvency or change of control

### REGULATION, LICENSING AND REGISTRATION

- Principal legislation and regulatory bodies
- Reporting and disclosure requirements
- Fund licensing and registration
- Registration of investment adviser
- Fund manager and investment adviser qualifications
- Political contributions
- Use of intermediaries and lobbyist registration
- Bank participation
- Anti-money laundering rules

### TAXATION

- Tax obligations and exemptions
- Tax structuring
- Local taxation of non-resident investors
- Local tax authority ruling
- Special tax considerations for sponsors
- Tax treaties
- Other significant tax issues

### OFFERING, SELLING AND INVESTMENT RESTRICTIONS

Offer and sale  
Types of investor and investment

#### **EXCHANGE LISTING AND SECONDARIES**

Listing  
Restriction on transfers of interests  
Secondary transactions

#### **PARTICIPATION IN PRIVATE CREDIT TRANSACTIONS**

Legal and regulatory restrictions  
Use of leverage  
Compensation and profit sharing

#### **UPDATE AND TRENDS**

Key developments of the past year

# Contributors

## Singapore



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## MARKET AND POLICY CLIMATE

### Market snapshot

#### How would you generally describe the state of the market for private credit funds in your jurisdiction?

With the Asia-Pacific (APAC) private market's projected annualised growth rate of 12.7 per cent from 2021 to 2027 and APAC-focused private credit assets under management (AUM) projected to reach US\$115.9 billion at the end of 2027 according to Preqin, the long-term outlook for private markets in the APAC region remains positive. As a crucial node to investing in Asia, Singapore's ongoing focus on becoming a regional hub for alternative asset management has generated strong interest in private credit as an asset class.

Many alternative managers have either established or expanded their private credit capabilities in Singapore to tap on private credit opportunities in Asia, including but not limited to Apollo, Blackstone, HPS and Oaktree, and a growing number of asset managers, sovereign wealth funds, pension funds, high net worth individuals and business owners have also set up offices (including family offices) in Singapore to tap on opportunities in the APAC region.

Law stated - 15 August 2025

### Government and regulatory policy

#### How would you describe the general government and regulatory policy towards credit funds in your jurisdiction?

In 2018, the Monetary Authority of Singapore (MAS) launched the private markets programme, which was designed to establish Singapore as a regional private markets hub. This programme saw the MAS committing to place up to US\$5 billion with private equity and infrastructure fund managers, as well as initiatives demonstrating that the MAS was keen to support private credit managers looking to expand their presence in Asia, and in particular, managers who wish to establish their regional headquarters in Singapore.

Separately, on 27 March 2025, the MAS sought public consultation on a proposed regulatory framework to allow retail investors to invest in private market investment funds. Presently, retail investors in Singapore generally have limited access to private investments, including private credit, private equity and infrastructure. The proposed framework contemplates, broadly, a Long-term Investment Fund (LIF) framework for private market investment funds, adapted from existing fund requirements to suit the characteristics of private market investment funds and support the needs of retail investors when investing in these funds. This initiative by MAS signals the regulator's support for the development of a robust and sustainable market for retail private market investment funds with appropriate safeguards in place. The consultation had closed on 26 May 2025, and MAS is considering the submissions.

Generally, Singapore's well developed legal landscape, including in the fields of contract law, credit and security law, agency and trust law, and insolvency law, provides investors with the confidence that the use of Singapore law as the governing law and jurisdiction should help safeguard creditors' rights and facilitate potential disputes being resolved expeditiously,

whether through the Singapore courts or via alternative modes of dispute resolution such as arbitration administered by the Singapore International Arbitration Centre.

Law stated - 15 August 2025

## FORMATION AND MANAGEMENT

### Forms of vehicle

**What legal form of vehicle is typically used for credit funds formed in your jurisdiction? Does such a vehicle have a separate legal personality or existence under the law of your jurisdiction? Is it possible to create umbrella structures that permit the creation of sub-funds? What are the legal consequences for investors, managers and investment advisers in respect of each of these structures?**

Fund managers in Singapore have historically established private credit funds utilising fund vehicles that are domiciled in offshore jurisdictions such as the Cayman Islands. However, with the introduction of the variable capital company (VCC) in 2020 (a corporate structure tailored for use by investment funds), VCCs have become a popular structure for managers of private credit funds in Singapore. Singapore limited partnerships are also an option, especially in the case of closed-end private credit funds.

A VCC is a corporate vehicle created by statute under the [Variable Capital Companies Act 2018 of Singapore](#) (the VCC Act)

and can be set up as an umbrella vehicle with multiple sub-funds where the assets and liabilities of each sub-fund are statutorily segregated from that of other sub-funds (ie, the assets of a sub-fund must not be used to discharge liabilities of the umbrella VCC or any other sub-fund of the umbrella VCC, and any liability of a sub-fund must be discharged solely out of the assets of that sub-fund), or as a single standalone vehicle without any sub-funds. Broadly speaking, an umbrella VCC is similar to umbrella vehicles with statutory segregation available in other jurisdictions, such as the Cayman Islands segregated portfolio company and the Irish collective asset-management vehicle. A VCC has a variable capital structure that provides flexibility in the issuance and redemption of its shares. It can also pay dividends out of capital, which gives fund managers more flexibility to meet dividend payment obligations.

A VCC can also be used for both open-ended and closed-end fund strategies, though closed-end funds typically adopt a non-umbrella VCC structure whereas open-ended funds typically adopt an umbrella VCC structure. While a VCC itself is a corporate vehicle with separate legal personality, each sub-fund of an umbrella VCC does not have separate legal personality from the umbrella VCC. A VCC will need to have as its primary manager in Singapore a 'permissible fund manager' (which includes a holder of a capital markets services (CMS) licence for fund management in Singapore). For the avoidance of doubt, a 'permissible fund manager' may delegate fund management and operational duties to other parties (eg, a sub-manager) that are regulated as fund managers in other jurisdictions. However, the permissible fund manager must retain overall responsibility for the fund management duties and must mitigate any conflicts of interests that may arise.

In any proceedings before a Singapore court, the statutory segregation of assets and liabilities as set out in the VCC Act will be recognised and enforced. However, there is a theoretical risk that the courts of other jurisdictions may decline to enforce the statutory segregation under the VCC Act, though mitigatory measures can be taken to minimise this risk. This risk is not dissimilar to that of other similar umbrella vehicles domiciled elsewhere.

The Singapore limited partnership was introduced in 2009 so as to encourage alternative investment fund managers to set up or re-domicile their funds to Singapore. The Singapore limited partnership does not have its own separate legal personality (ie, it cannot sue or be sued or own property in its own name). The general partner of a Singapore limited partnership has unlimited liability and is personally liable for debts and losses of the limited partnership while limited partners enjoy limited liability status and are not personally liable for debts and losses of the partnership beyond his agreed contribution (provided that such limited partners do not take part in the management of the limited partnership).

An individual or a corporation may be a general partner or a limited partner of a Singapore limited partnership. Appointing a local manager for the Singapore limited partnership is not mandatory unless all the general partners are residing outside Singapore, and such local manager would be personally responsible for discharging all obligations of the limited partnership, being subject to the same responsibilities, liabilities and penalties as a general partner of the limited partnership if the general partner defaults in respect of such obligation. A Singapore limited partnership must consist of a minimum of two partners, with at least one general partner and one limited partner.

An advantage of the Singapore limited partnership is that it is primarily governed by the terms of the limited partnership agreement and is not subject to the legal constraints that apply to companies, especially in relation to the distribution of profits and the return of capital. Moreover, there is no limit on the number of partners that may comprise a Singapore limited partnership, unlike a private company, which is restricted to no more than 50 members.

**Law stated - 15 August 2025**

### **Unregulated fund vehicles**

#### **Can the fund vehicle be unregulated? If so, does this affect the ability to originate loans or otherwise execute its investment strategy?**

In very general and non-exhaustive terms, VCCs, by nature of being a statutory creation, are primarily regulated under the Variable Capital Companies Act 2018 of Singapore and its subsidiary legislation, and the managers of VCCs that conduct the regulated activity of fund management (being permissible fund managers, which includes a holder of a capital markets services licence for fund management) are primarily regulated under the [Securities and Futures Act 2001 of Singapore](#) (SFA), its subsidiary legislation and various notices, guidelines and publications published by the MAS.

Singapore limited partnerships are primarily regulated under the Limited Partnerships Act 2008 of Singapore and its subsidiary legislation. The general partner of a Singapore limited partnership can delegate investment management functions to a separate fund management company, which would itself be primarily regulated under the SFA, its subsidiary legislation and various notices, guidelines and publications published by the

MAS (as the case may be, depending on the regulatory status of such fund management company).

To the extent the private credit funds (whether structured as VCCs or Singapore limited partnerships) are to be offered or marketed only to 'accredited investors' and/or 'institutional investors', they would either be exempt from regulations or come under a light-touch regulatory regime and will have considerable leeway to undertake their investment strategy.

**Law stated - 15 August 2025**

### **Formation process**

**What is the process for forming a credit fund vehicle in your jurisdiction?  
Are there any practical impediments to speed to market, such as account opening or banking and regulatory permissions?**

We have focused our discussions below on the VCC given it is likely to be more commonly utilised for private credit funds in the case of onshore structures.

Generally and practically speaking, it takes approximately two weeks for the Accounting and Corporate Regulatory Authority of Singapore (ACRA) to process the VCC name registration application and the VCC incorporation (leaving aside any ACRA system unavailability due to maintenance or unscheduled downtime).

A registered filing agent or corporate service provider is typically engaged to assist with submitting an application to incorporate a VCC. An applicant must first submit a name application to ACRA to reserve the VCC's name, which requires payment of a fee of S\$15. A name application may be referred to certain referral authorities for review.

Once the VCC name application is approved by ACRA, the name will be reserved for 120 days. After the name application is approved, an applicant must, within the 120-day period, submit certain information and documentation to ACRA relating to the proposed VCC (including but not limited to the details of the VCC's proposed director(s) and officers, the permissible fund manager, the initial subscribers, the type of VCC being incorporated (whether umbrella or non-umbrella), the VCC's registered office address and its financial year-end), and provide a copy of the VCC's constitution. In particular, there is a need for a VCC to have at least one director who is ordinarily resident in Singapore, and at least one director (who may be the same person as aforementioned) who is either a director or a 'qualified representative' (as defined in the SFA) of the VCC's primary manager.

The fee for incorporating a VCC is S\$8,000. With respect to ongoing fees, a VCC is required to lodge an annual return for a fee of S\$1,600 after it has held its annual general meeting and within seven months of the end of its financial year. Other ad-hoc filing fees include: changing the VCC's or sub-fund's name (S\$15); and registering a charge by the VCC or sub-fund (S\$60).

To establish a sub-fund of an umbrella VCC, a directors' resolution for the formation of the sub-fund must first be duly passed, and thereafter, an application to register the sub-fund must be made via the ACRA website within seven days of its formation. Information required to be submitted as part of the application include the proposed name of the sub-fund and the date of formation of the sub-fund. The fee for registering a sub-fund of a VCC is S\$400.

The processing time for the registration of a sub-fund may take up to three working days according to the ACRA website.

There are no minimum capital requirements in respect of a VCC. The process and timing for the opening of a bank account for the VCC (or its sub-funds) varies from bank to bank.

A VCC will also need to appoint a secretary within six months of its date of incorporation, and an auditor within three months of its date of incorporation.

Law stated - 15 August 2025

### **Substance requirements**

**Is a credit fund vehicle formed in your jurisdiction required to maintain locally a custodian or administrator, a registered office, books and records, a corporate secretary, employees, professional anti-money laundering (AML) officers or other substance? If so, how is that requirement typically satisfied?**

A Singapore-based fund administrator may be required to be appointed if the locally domiciled private credit fund intends to qualify for certain fund tax exemption schemes. An independent custodian may not be required to be appointed if certain exemptions from the independent custody requirement available under the [Securities and Futures \(Licensing and Conduct of Business\) Regulations of Singapore](#) can be relied upon by the fund's manager, or if the private credit fund is not to be notified as a restricted scheme in Singapore (in reliance on the exemption from offering requirements under section 305 of the SFA).

A private credit fund structured as a VCC is required to appoint a secretary within six months of its date of incorporation, and an auditor within three months of its date of incorporation. An application to incorporate a VCC is required to include details of the VCC's proposed registered office address, which must be located in Singapore. A VCC is also required to appoint an AML/CFT compliance officer at the management level (who may be the VCC's directors, employees or officers (if any) or the employees or officers of the VCC's 'eligible financial institution').

Law stated - 15 August 2025

### **Access to information**

**What access to information about a private credit fund formed in your jurisdiction is the public granted by law? How is it accessed? If applicable, what are the consequences of failing to make such information available? What information (in addition to that available to the general public) are shareholders and limited partners able to see? Is it possible to reduce access rights as a matter of contract?**

The identities of a VCC's investors and their respective capital commitment amounts are not publicly accessible. A VCC need only provide information in the VCC's register of members

(which contains information on the identity of a VCC's shareholders, the number of shares held by each shareholder, etc) on the request of the VCC's manager, custodian, a public authority (for the purpose of enabling the public authority to administer or enforce any written law) or a person entitled to inspect the register of members of the VCC pursuant to an order of the court. A failure to provide such information upon an aforementioned request will render the VCC and every officer of the VCC who is in default guilty of an offence and liable on conviction to a fine not exceeding S\$1,000, and also to a default penalty. The constitution of a VCC is also not publicly available (unlike a company incorporated under the Companies Act 1967 of Singapore).

A member of a VCC may also request for information in the VCC's register of members, but only to the extent that such information relates to itself.

The particulars of limited partners (and their respective capital commitment amounts) of a Singapore limited partnership which is established primarily for the purpose of establishing a fund for investment and where the fund is managed by a general partner or a fund manager which is a licensed fund manager (or is exempted from licensing requirements) is not publicly available. The limited partners of a Singapore limited partnership and any person responsible for the management of the limited partnership can inspect the register of partners (which contains certain identification information of each partner), which is kept by the general partner at the principal place of business of the limited partnership and which is open to inspection during ordinary business hours. The limited partnership agreement for a Singapore limited partnership is also not publicly available.

**Law stated - 15 August 2025**

### **Investor liability**

**In what circumstances would the limited liability of investors in a credit fund formed in your jurisdiction not be respected as a matter of local law? Is there a list of actions in which investors can participate without losing their limited liability?**

As with any corporation with separate legal personality, shareholders of a VCC have limited liability and are not personally liable for the debts and losses of the VCC. Their liability is statutorily limited to the amount (if any) unpaid on the shares held by the shareholder. There are certain instances under Singapore law whereby the limited liability of a shareholder may be impinged upon (ie, where a court determines that the corporate veil should be 'pierced' such that a company's shareholders are treated as being one and the same with the company), though such circumstances tend to be of an exceptional nature (eg, where the company is used to evade legal obligations or commit fraud, where the company is a sham or façade, or where the company is being employed as an 'alter ego' or agent for its shareholders or controllers). There is no prescribed list of actions in respect of which shareholders of a VCC may participate in without losing their limited liability status.

Limited partners of a Singapore limited partnership may lose their limited liability status if they take part in the management of the limited partnership, and be liable for all debts and losses of the limited partnership as though he were a general partner. In this regard, the Limited Partnership Act 2008 of Singapore sets out a non-exhaustive list of acts not regarded as managing the limited partnership.

Law stated - 15 August 2025

### **Fund manager's fiduciary duties**

What are the fiduciary duties owed to a credit fund formed in your jurisdiction and its third-party investors by that fund's manager, investment adviser or other similar control party or fiduciary? To what extent can those fiduciary duties be modified by agreement of the parties?

It is generally accepted that fund managers in Singapore that have discretionary investment authority would be subject to fiduciary duties as a matter of law. Such fiduciary duties would generally encompass the obligation of loyalty (which entails that the fund manager must act in good faith for its principal's benefit), among others.

Law stated - 15 August 2025

### **Gross negligence**

Does your jurisdiction recognise a 'gross negligence' (as opposed to 'simple negligence') standard of liability applicable to the management of a credit fund? If so, how does this standard differ from a simple negligence standard?

There is no clear definition of 'gross negligence' under Singapore law. The definition can be and is typically defined by way of contract (eg, in the investment management agreement entered into between a fund and its manager).

Law stated - 15 August 2025

### **Other special issues or requirements**

Are there any other special issues or requirements particular to credit fund vehicles formed in your jurisdiction? Is conversion or redomiciling to vehicles in your jurisdiction permitted? If so, in converting or redomiciling vehicles formed in other jurisdictions into vehicles in your jurisdiction, what are the most material terms that typically must be modified and how common is this process? How long does it typically take?

For private credit funds that engage in direct lending to borrowers, they will have to consider whether such activity would trigger licensing requirements for moneylending in the relevant target jurisdiction(s) in which (1) the borrower is situated or (2) where security is being taken, and whether there are any applicable exemptions that the private credit fund can operate under. For instance, in Singapore, if a person carries on business offering or providing conventional loans, the person could be carrying on the business of moneylending in Singapore, which requires a licence under the Moneylenders Act 2008 of Singapore (MLA) unless the person is an 'excluded moneylender' or 'exempt moneylender' (each as defined

under the MLA). The definition of 'excluded moneylender' under the MLA includes any person who lends solely to corporations (which a private credit fund can potentially rely on).

A foreign corporate entity (including entities with an umbrella structure comprising of two or more collective investment schemes, ie, sub-funds) may apply to be re-domiciled to Singapore to become a VCC. Re-domiciliation will not affect the obligations, liabilities, properties or rights of the foreign corporate entity. In order for a foreign corporate entity to qualify for re-domiciliation, it must meet certain requirements relating to solvency and compliance (both in respect of the foreign and local jurisdictions). A fee of S\$9,000 + (S\$400 x number of sub-funds) is payable for such a re-domiciliation application. The processing time for a re-domiciliation application ranges from 14 to 60 days according to the Accounting and Corporate Regulatory Authority of Singapore.

Separately, if the private credit fund is pursuing a venture debt strategy, and the manager of the fund holds a more restrictive capital markets services licence for fund management in respect of the management of portfolios of specified products on behalf of venture capital funds only (ie, a VCFM), it should note that the venture debt investments should need to be structured as debentures as opposed to loans. This is because a VCFM is restricted by its licence conditions to only manage 'venture capital funds' in respect of a portfolio of 'specified products' that are not listed for quotation or quoted on an approved exchange or an overseas exchange and that meets certain other qualifying criteria, and loans would likely not fall within the definition of 'specified products' (as defined under the SFA).

**Law stated - 15 August 2025**

### **Fund sponsor insolvency or change of control**

**With respect to institutional sponsors of credit funds organised in your jurisdiction, what are some of the primary legal and regulatory consequences and other key issues for the credit fund and its general partner and investment manager or adviser arising out of a bankruptcy, insolvency, change of control, restructuring or similar transaction of the credit fund's sponsor?**

In the context of a sponsor that participates as the general partner and/or investment manager of the private credit fund, the fund's governing documents, such as the limited partnership agreement or the investment management agreement, may contain provisions that automatically trigger the dissolution of the fund or allow for the removal or replacement of the general partner or investment manager upon the occurrence of events pertaining to the sponsor's bankruptcy, insolvency, change of control or restructuring. In addition, a Singapore limited partnership will be automatically dissolved pursuant to the Partnership Act 1890 of Singapore upon the death or bankruptcy of its general partner (subject to any agreement between the partners).

**Law stated - 15 August 2025**

## **REGULATION, LICENSING AND REGISTRATION**

## **Principal legislation and regulatory bodies**

**What principal legislation governs credit funds in your jurisdiction? Which regulatory bodies have authority over credit funds and its managers and investment advisers in your jurisdiction? What are the regulators' audit and inspection rights?**

This depends on the type of legal vehicle being used to structure the private credit fund. In the case of a VCC, the fund will be primarily regulated under the VCC Act and its subsidiary legislation, and the manager that conducts the regulated activity of fund management (being a permissible fund manager, which includes a holder of a capital markets services licence for fund management) will be primarily regulated under the SFA, its subsidiary legislation and various notices, guidelines and publications published by the MAS. The SFA permits the MAS to issue such codes, guidelines, policy statements, practice notes and no-action letters as it considers appropriate in furtherance of its regulatory objectives.

The VCC Act and its subsidiary legislation is administered by ACRA, whereas the AML/CFT obligations of VCCs come under the purview of the MAS. The VCC's manager is regulated by the MAS.

The VCC Act grants ACRA broad inspection rights over the books of a VCC (including a right to request for information in the VCC's register of members for the purpose of enabling ACRA to administer or enforce any written law), and to appoint inspectors to investigate the affairs of a VCC in certain circumstances (eg, for the protection of the public or shareholders or creditors of the VCC, or if it is in the public interest that the affairs of the VCC should be investigated), and every officer and agent of a VCC that is being investigated must, among other things, upon request produce to the inspector all books and documents in his or her custody or power and must give to the inspector all assistance in connection with the investigation that he or she is reasonably able to give. Separately, the MAS may (or appoint any person, including an auditor) also inspect the books of a VCC, or any subsidiary, branch, agency or office outside Singapore of a VCC, for the purposes of determining the extent of a VCC's compliance with AML/CFT requirements.

The SFA grants the MAS broad inspection rights over the books of a fund manager, and among other things, a fund manager (or any person in possession of the books) is required to provide such information and facilities as the MAS may require, and the MAS may make copies of, or take (and retain) possession of any books. More generally, the SFA permits the MAS to conduct such investigation as it considers necessary or expedient for certain purposes (eg, to perform any of its functions and duties under the SFA, to ensure compliance with the SFA, and to investigate an alleged contravention of the SFA). The MAS may for the purposes of an investigation require a person to appear before an officer of the MAS for examination on oath and to answer questions, and enter any premises (subject to certain restrictions).

**Law stated - 15 August 2025**

## **Reporting and disclosure requirements**

**What ongoing reporting and disclosure requirements apply to credit fund managers and investment advisers in your jurisdiction?**

The [Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies](#) (SFA 04-G05)

published by the MAS requires fund managers to make certain disclosures to investors (eg, the investment policy and strategy and its associated risks; terms relating to fees, termination or exit; the valuation policy and performance measurement standards; the use of leverage; the counterparties used by the fund (including brokers, custodians, fund administrators and auditors); the events of termination and associated processes; the existence (or lack thereof) of any professional indemnity insurance). Such disclosures are required to be made at the inception of the fund, and also on a periodic basis (as and when material changes occur). In particular, due to the propensity of private credit funds to employ leverage, the manager should ensure that the fund has a leverage policy that is adequately disclosed to investors.

Fund managers are generally not required to notify the MAS of the identity of investors or of any change in ownership, management or control of the funds managed by them. That said, the MAS may potentially request for such information pursuant to their broad supervisory powers.

**Law stated - 15 August 2025**

### **Fund licensing and registration**

#### **What governmental approval, licensing or registration requirements apply to credit funds in your jurisdiction?**

In the case where a private credit fund is structured as a VCC, an application is required to be submitted to the Accounting and Corporate Regulatory Authority of Singapore to incorporate the fund.

In addition, if the VCC (or any sub-fund) is notified as a restricted scheme in Singapore (in reliance on the exemption from offering requirements under section 305 of the SFA),

there is a need to submit a notification to the MAS via an online platform, CISNet. Subject to the offeror fulfilling the relevant requirements on CISNet (such as endorsement and payment procedures), the MAS will process the notification and the offeror can commence the offering of the relevant interests in the VCC (or the sub-fund) only after it has been successfully entered by the MAS into the 'List of Restricted Schemes' maintained by the MAS.

**Law stated - 15 August 2025**

### **Registration of investment adviser**

#### **Is a credit fund's manager or investment adviser (or any of its officers, directors or control persons) required to register as an investment adviser in your jurisdiction? If so, is there a triggering activity for such registration?**

Yes. A

fund manager or investment adviser which carries on business in the regulated activity of 'fund management' is required to hold a capital markets services licence for fund

management, in the event that no applicable exemptions from the licensing requirements can be relied upon.

'Fund management' is defined under the SFA as:

managing the property of, or operating, a collective investment scheme, or undertaking on behalf of a customer (whether on a discretionary authority granted by the customer or otherwise) – (a) the management of a portfolio of capital markets products; or (b) the entry into spot foreign exchange contracts for the purpose of managing the customer's funds, but does not include real estate investment trust management.

Notably, the Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies [SFA 04-G05] published by the MAS also contemplate the possibility of investment advisory or sub-advisory activities amounting to 'fund management'.

The relevant individuals performing the regulated activity of fund management will also need to be notified with the MAS as appointed representatives of the licensed fund manager.

**Law stated - 15 August 2025**

### **Fund manager and investment adviser qualifications**

**Are there any specific qualifications or other requirements imposed on a credit fund's manager, investment adviser or any of its officers, directors or control persons in your jurisdiction?**

Any fund manager of a private credit fund will be subject to the same fund management licensing framework as for any other fund management companies in Singapore. There are certain minimum staffing and competency requirements pursuant to the Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies [SFA 04-G05] (Guidelines) published by the MAS.

An A/I LFMC is, among other things, required to employ at least one executive director (who is employed full-time and resident in Singapore) who has five years' experience in portfolio management in the relevant strategy and/or asset classes. An A/I LFMC is generally required to maintain a base capital of at least S\$250,000 at all times, and the MAS further recommends that A/I LFMCs maintain an additional capital buffer over and above the minimum base capital amount. In addition, an A/I LFMC is required to meet certain risk-based capital requirements at all times. Generally, licensed intermediaries (such as A/I LFMCs), as well as their substantial shareholders, directors and chief executives, among others, are also required to adhere to fit and proper standards set out under the [MAS' Guidelines on Fit and Proper Criteria \[FSG-G01\]](#).

**Law stated - 15 August 2025**

### **Political contributions**

Are there any rules – or policies of public pension plans or other governmental entities – in your jurisdiction that restrict, or require disclosure of, political contributions by a credit fund’s manager or investment adviser or their employees?

The [Foreign Interference \(Countermeasures\) Act 2021 of Singapore](#) (FICA) regulates the making of ‘political donations’ to ‘politically significant persons’ (PSP) (each as defined under the FICA), and among other things, requires a donor (which includes any person who makes a donation) that, in any single year, makes one or more political donation(s) of or exceeding S\$10,000 to a PSP, to file donation reports with the Registry of Foreign and Political Disclosures. More generally, bribery and corruption offences are primarily regulated under the Prevention of Corruption Act 1960 of Singapore.

Law stated - 15 August 2025

### **Use of intermediaries and lobbyist registration**

Are there any rules – or policies of public pension plans or other governmental entities – in your jurisdiction that restrict, or require disclosure by a credit fund’s manager or investment adviser of, the engagement of placement agents, lobbyists or other intermediaries in the marketing of the fund to public pension plans and other governmental entities? Are there any rules that require a fund’s investment adviser or its employees and agents to register as lobbyists in the marketing of the fund to public pension plans and governmental entities?

There are no specific legislation or rules or regulations issued by the MAS that directly address the use of placement agents, lobbyists or other intermediaries in the marketing of private credit funds to public pension plans or other governmental entities. Similarly, there are no specific rules that require a private credit fund's investment adviser or its employees and agents to register as lobbyists (or similar persons) in the marketing of the private credit fund to public pension plans and governmental entities.

Law stated - 15 August 2025

### **Bank participation**

Are there any legal or regulatory requirements that specifically apply to banks with respect to investing in or sponsoring credit funds?

There are no specific prohibitions against banks investing in or sponsoring private credit funds.

Law stated - 15 August 2025

### **Anti-money laundering rules**

What anti-money laundering (AML) rules and regulations apply to credit funds formed in your jurisdiction? Are there any requirements for due

diligence, record keeping or disclosure of the identities of (or other related information about) the investors in a credit fund or the individual members of the sponsor? What AML requirements apply at the level of the fund? What level of scrutiny is required for AML checks regarding investments?

In the case of a private credit fund structured as a VCC, it will be required to comply with the AML/KYC requirements prescribed under the Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Variable Capital Companies [VCC-N01] (VCC AML Notice) published by the MAS, which among other things, requires the VCC to engage an ‘eligible financial institution’ (which includes a holder of a capital markets services licence for fund management) to perform certain customer due diligence (CDD) measures in respect of the VCC’s ‘customers’, including but not limited to

- verifying the identity and source of funds of the VCC’s ‘customers’;
- verifying the identity of persons who have executive authority in the VCC’s ‘customers’ (ie, connected parties of the customers);
- verifying the identity of natural persons appointed to act on behalf of the VCC’s ‘customers’;
- verifying the identity of the beneficial owners of the VCC’s ‘customers’; and
- performing ongoing monitoring and screening of the aforementioned persons, as well as the VCC’s business relations with its ‘customers’.

The VCC remains responsible for its AML/CFT obligations under the VCC AML Notice notwithstanding that the VCC’s manager (as the VCC’s ‘eligible financial institution’) is the entity conducting the checks and performing the measures under the VCC AML Notice.

With respect to record-keeping requirements, the VCC AML Notice requires, among other things, that a VCC maintain and retain records of all data, documents and information that the VCC is required to obtain to comply with the requirements under the VCC AML Notice. In particular, a VCC is also required to retain CDD information and information relating to transactions for a period of at least five years.

A VCC is also required to appoint an AML/CFT compliance officer at the management level (who may be the VCC’s directors, employees or officers (if any) or the employees or officers of the VCC’s ‘eligible financial institution’).

In addition, a VCC is also required to comply with general Singapore anti-money laundering and countering the financing of terrorism laws, which include but are not limited to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 of Singapore (which designates various offences, including tax crimes, as serious offences and includes the obligation to report suspicious transactions to the relevant authorities), the Terrorism (Suppression of Financing) Act 2002 of Singapore and the United Nations (Anti-Terrorism Measures) Regulations of Singapore.

Any fund manager, including the manager of a private credit fund, would itself (in its capacity as a holder of a capital markets services licence) be subject to and be required to comply with the Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Capital Markets Intermediaries (SFA 04-N02) published by the MAS (among other AML/CFT notices, guidelines and regulations).

**Law stated - 15 August 2025**

## TAXATION

### Tax obligations and exemptions

Is a credit fund vehicle formed in your jurisdiction subject to taxation there with respect to its income or gains? Is the fund required to withhold taxes with respect to distributions to investors? Are there any applicable tax exemptions?

In Singapore, a fund manager's income from fund management activities is typically subject to a corporate income tax rate of 17 per cent. However, if the fund manager applies for and is approved by the MAS for the Financial Sector Incentive – Fund Management Award, it may be eligible for a reduced income tax rate of 10 per cent. To qualify for this award, the fund manager must meet certain criteria, including employing a minimum of three investment professionals and having the necessary licensing, registration, or explicit exemption from the MAS to conduct fund management activities in Singapore.

Tax exemptions are also available for funds (whether domiciled onshore or offshore) managed by a fund manager in Singapore, under which specified income derived from designated investments is exempt from tax. The three main tax exemption schemes are as follows:

- Resident Fund Tax Incentive Scheme (section 130 and section 13U of the Income Tax Act 1947 of Singapore (ITA)): The exemption under section 130 of the ITA is available for onshore funds structured as companies (including VCCs), whereas the exemption under section 13U of the ITA is available to onshore funds structured as limited partnerships. In each case, the fund is required to have a minimum fund size of S\$5 million.
- Enhanced-Tier Fund Tax Incentive Scheme (section 13U of the ITA): this is available for both onshore and offshore funds with a minimum fund size of S\$50 million.
- Offshore Fund Tax Incentive Scheme (section 13D of the ITA): this is only available mainly for offshore funds and certain onshore funds. Unlike the Singapore Resident Fund Scheme and the Enhanced-Tier Fund Scheme, no application to the MAS for approval is required for the Offshore Fund Scheme.

Law stated - 15 August 2025

### Tax structuring

What range of downstream tax structures are available and commonly used in your jurisdiction to mitigate any tax leakage?

One important factor when deciding which fund structure to adopt is the Avoidance of Double Taxation Agreements (DTAs) network of the host jurisdiction, and whether there is a DTA between the host jurisdiction and the jurisdiction where most of the fund's investments are situated (and from where the realisation proceeds will be repatriated). With respect to Singapore, having a Singapore tax resident corporate entity as part of the fund structure may

allow the fund to benefit from Singapore's extensive network of DTAs and limited DTAs of around 100 jurisdictions.

Law stated - 15 August 2025

### **Local taxation of non-resident investors**

**Are non-resident investors in a credit fund subject to taxation or return-filing requirements in your jurisdiction?**

This is dependent on whether such an investor is considered to be operating in or from Singapore.

Law stated - 15 August 2025

### **Local tax authority ruling**

**Is it necessary or desirable to obtain a ruling from local tax authorities with respect to the tax treatment of a credit fund vehicle formed in your jurisdiction, or the services provided by the investment manager or investment adviser? Are there any special tax rules relating to investors that are residents of your jurisdiction?**

It is not necessary or common for an application to be made to the Comptroller of Income Tax to issue an advance ruling in respect of the tax treatment of a fund vehicle or of services provided by an investment manager or investment adviser.

Law stated - 15 August 2025

### **Special tax considerations for sponsors**

**Are there any special tax considerations for credit fund sponsors?**

Under the Financial Sector Initiative – Fund Management Award (the Award), which applies to licensed financial institutions (including fund managers), fee income derived by a Singapore fund manager from fund management and investment advisory activities in respect of a qualifying fund is taxed at a concessionary tax rate of 10 per cent (instead of the prevailing corporate income tax rate of 17 per cent), subject to certain conditions being met and MAS approval of the FSI-FM Award being obtained.

Generally, for new applicants looking to qualify for a minimum five-year award, the fund manager must:

- hold a CMS licence or be expressly exempted from holding a CMS licence in respect of its fund management activities or be otherwise approved by the Minister;
- employ at least three experienced investment professionals each earning at least S\$3,500 per month and substantially engaged in the qualifying activity. Examples of such professionals include portfolio managers, research analysts and traders; and
- have a minimum asset under management (AUM) of S\$250 million.

In deciding whether to grant the Award, the MAS may also take into account factors such as the fund's projections for growth in respect of professional headcount, AUM and business spending.

Law stated - 15 August 2025

### **Tax treaties**

**Are there any relevant tax treaties to which your jurisdiction is a party?  
How do such treaties apply to the fund vehicle or any downstream structure?**

Singapore has entered into DTAs with more than 90 jurisdictions to relieve the double taxation of income that is earned in one jurisdiction by a resident of another jurisdiction. A DTA allows foreign income earned by a Singapore-domiciled company to be exempted from tax or to be subject to a reduced rate in the foreign jurisdiction. The DTA framework is presently available only to Singapore resident companies, and as such has motivated certain fund managers looking to domicile their funds in Singapore to utilise a corporate structure (including the VCC) in their overall fund structures.

Law stated - 15 August 2025

### **Other significant tax issues**

**Are there any other significant tax issues relating to credit funds organised in your jurisdiction?**

In the Singapore Budget 2024, it was announced that the Offshore Fund Tax Incentive Scheme under section 13D of the ITA, the Resident Fund Tax Incentive Scheme under section 130 of the ITA and the Enhanced-tier Fund Tax Incentive Scheme under section 13U of the ITA, which were slated to end on 31 December 2024, will be extended by five years until 31 December 2029. The Resident Fund Tax Incentive Scheme under section 130 of the ITA has also been extended to include limited partnerships registered in Singapore under a new section 130A of the ITA, with effect from 1 January 2025. There were also slight changes to the economic criteria for funds managed by Singapore-based fund managers under all three aforementioned fund tax incentive schemes since 1 January 2025, including revised minimum assets under management criteria and changes to tiered local business spending requirements.

Law stated - 15 August 2025

## **OFFERING, SELLING AND INVESTMENT RESTRICTIONS**

### **Offer and sale**

**What principal legal and regulatory restrictions apply to offers and sales of interests in credit funds formed in your jurisdiction, including the type of**

## investors to whom such funds may be offered without registration under applicable securities laws?

Any funds offering would trigger fund registration and prospectus requirements unless the offer falls within an applicable exemption. The three commonly used prospectus registration exemptions are the:

- The Private Placement Exemption: where offers are made to no more than 50 persons in any 12-month period, subject to certain conditions. For the avoidance of doubt, the 50-offeree limit relates to the number of persons approached, and not the actual number of persons subscribing. This limit also only applies to offers made in Singapore, and offers made to overseas persons will not be counted.
- The Institutional Investor Exemption: where the offer of a fund is made only to institutional investors.
- The '305 Exemption': where the fund is only offered to:
  - a 'relevant person'; or
  - a person who acquires units in the fund as principal if the offer is on terms that the units may only be acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction.

Generally, a fund may only be offered under the 305 Exemption if (1) it has been entered into the MAS list of restricted schemes, and (2) no prospectus in respect of the fund must have been registered by the MAS, or if a prospectus has been registered, (3) the prospectus must have expired, or the offeror must have informed the MAS of its intention to rely on the 305 Exemption and must take reasonable steps to inform the offerees in writing that the offer is made in reliance on the 305 Exemption.

A 'Relevant Person' is defined as:

- an accredited investor (as defined in the SFA);
- a corporation, the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor;
- a trustee of a trust, the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an Accredited Investor;
- an officer or equivalent person of the offeror (if it is an entity); or
- a spouse, parent, brother, sister, son or daughter of that officer or equivalent person or of the person making the offer or invitation (if he is an individual).

The Private Placement Exemption, the Institutional Investor Exemption and the 305 Exemption may be invoked concurrently.

**Law stated - 15 August 2025**

## Types of investor and investment

## Are there any restrictions on the types of investors that may participate in credit funds or the types of investments that may be held by credit funds formed in your jurisdiction?

There are currently no such prescribed restrictions under applicable Singapore laws peculiar to private credit funds.

Law stated - 15 August 2025

## EXCHANGE LISTING AND SECONDARIES

### Listing

Are credit funds able to list on a securities exchange in your jurisdiction and, if so, is this customary? What are the principal initial and ongoing requirements for listing? What are the advantages and disadvantages of a listing? Are there any restrictions on the type of vehicle or the terms of the credit fund that is seeking a listing?

There is currently no prescribed framework for such a listing on the Singapore Exchange.

Law stated - 15 August 2025

### Restriction on transfers of interests

To what extent can a listed fund restrict transfers of its interests?

Not applicable.

Law stated - 15 August 2025

### Secondary transactions

Can interests in a private credit fund established in your jurisdiction be transferred between investors? If so, are these typically subject to any contractual or regulatory conditions?

Typically, the fund documents will provide the investment manager with the power to impose such restrictions as it may think necessary for the purpose of ensuring that no such interests are acquired or held that would result in such holding being a breach of the law or requirements of any country or governmental authority, where applicable. Additionally, the relevant fund documents will also typically provide that upon notice that any interests are so held in breach of any such restrictions, the investment manager may require such holder to redeem its interests or transfer such interests to a person whose holding would be permissible under applicable laws and the relevant fund documents.

Law stated - 15 August 2025

## PARTICIPATION IN PRIVATE CREDIT TRANSACTIONS

### **Legal and regulatory restrictions**

Are funds formed in your jurisdiction subject to any legal or regulatory restrictions that affect their participation in private credit transactions or otherwise affect the structuring of private credit transactions completed inside or outside your jurisdiction? Can a private credit fund hold non-loan or non-debt investments and, if so, are such holdings subject to any restrictions? Is a private credit fund established in your jurisdiction subject to any restrictions on participating in any creditor committees or taking other actions in respect of its credit investments or borrowers?

Generally, private funds formed in Singapore are not subject to any specific legal or regulatory restrictions that affect their participation in private credit transactions, the structuring of private credit transactions completed inside or outside Singapore, the holding of non-loan or non-debt investments, or participating in creditor committees or taking other actions in respect of its credit investments or borrowers.

Law stated - 15 August 2025

### **Use of leverage**

Are there any legal or practical restrictions on funds formed in your jurisdiction having a subscription line (and providing security over investor interests) or having true leverage (and asset level security) in the fund?

Generally, there are no restrictions on funds formed in Singapore having a subscription line or providing security over investor interests. If a fund deploys leverage, this should be adequately disclosed to investors.

Law stated - 15 August 2025

### **Compensation and profit sharing**

Are there any legal or regulatory issues that would affect the structuring of the sponsor's compensation and profit-sharing arrangements with respect to the fund? Is there anything that could affect the sponsor's ability to take management fees, transaction fees and a carried interest (or other form of profit share) from the fund?

These considerations are largely commercial in nature.

Law stated - 15 August 2025

## **UPDATE AND TRENDS**

### **Key developments of the past year**

**What are the most significant recent trends and developments relating to credit funds in your jurisdiction? What impact do you expect such trends and developments will have on global credit fundraising and on credit funds generally?**

Given the uncertainties faced by the banking sector and public markets in recent years, private credit has become an increasingly important and attractive alternative source of financing here in Singapore, particularly among borrowers, investors and general partners looking to tap on the many investment opportunities in the Southeast Asian region. In line with this, the MAS, through its US\$5 billion private markets programme and other initiatives aimed at enhancing private markets financing channels and opening up private market investment access to retail investors, continues to signal support for private equity and infrastructure fund managers who are looking to either establish a significant presence in Singapore or deepen their existing presence in Singapore.

**Law stated - 15 August 2025**