Singapore Asset Management 2026:
3 New MAS Measures Businesses Need to Know

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Monetary Authority of Singapore (MAS) Announces Changes to Strengthen Singapore's Position as Asset Management Hub

Singapore's asset management industry has continued to grow strongly, now accounting for around 15% of the financial sector's output and 13% of its employment. Over the past five years, the industry has grown by an average of 7.5% annually, reaching almost S$7 trillion.

On 19 August 2026, the Monetary Authority of Singapore (MAS) announced a package of measures to strengthen Singapore's position as a leading asset management hub.

The measures are intended to encourage asset managers to establish and expand their operations in Singapore, while attracting investment capital and senior investment professionals to the sector.

The package comprises three components:

- a proposed tax exemption for certain profit-related returns arising from the provision of fund management services to qualifying funds;
- a new Hedge Fund Investment Programme; and
- a proposed Investment Management Track under the Overseas Networks & Expertise (ONE) Pass framework.

1. Proposed Tax Exemption for Profit-Related Returns

MAS and the Ministry of Finance (MOF) plan to introduce a tax exemption for certain profit-related returns arising from the provision of fund management services to qualifying funds.

The proposed exemption is expected to apply from Year of Assessment 2027.

It will apply to qualifying profit-related returns received through commercial fund arrangements, where a share of a qualifying fund's profits is contractually received by a corporate entity, partnership or individual, directly or indirectly, for the provision of fund management services.

The qualifying funds are those that benefit from tax exemption under Sections 13D, 13O, 13OA, 13U and 13V of the Income Tax Act 1947, and that are managed by Singapore-based fund managers.

The proposed exemption is intended to reflect how fund management arrangements are commonly structured in practice. Further details on its scope and conditions are expected to be announced at Budget 2027.

Importantly, MAS has clarified that the proposed exemption applies to certain profit-related returns only, and does not extend to ordinary salaries, bonuses or other forms of employee remuneration.

2. New Hedge Fund Investment Programme

MAS will introduce a new Hedge Fund Investment Programme, under which it will invest with hedge fund managers that are committed to establishing or expanding their presence in Singapore.

The programme is designed to support the development of Singapore's hedge fund ecosystem, including related service providers and prime brokerages.

Further details of the programme will be announced by MAS in due course.

3. Investment Management Track under the ONE Pass

MAS and the Ministry of Manpower (MOM) also intend to introduce a new Investment Management Track under the Overseas Networks & Expertise (ONE) Pass framework.

The proposed track will cater to global leaders and senior investment professionals who are, or have the potential to be, significant contributors to Singapore's asset management sector.

The proposed framework may also refine the assessment of salary requirements to better reflect established compensation structures in the investment management industry. This may include recognising returns linked to investment performance and fund outcomes, in addition to fixed monthly salaries.

Key Considerations for Businesses

The measures may be relevant to asset managers, fund managers and investment firms considering establishing or expanding their presence in Singapore in the coming month. Businesses may wish to consider the potential implications for:

- the establishment and structuring of Singapore-based fund management operations;
- fund management fee and profit-sharing arrangements;
- the tax treatment of qualifying fund management activities;
- the recruitment or relocation of senior investment professionals; and
- the structuring of compensation arrangements linked to investment performance.

At this stage, the proposed tax exemption and Investment Management Track remain subject to further details and implementation measures. Businesses should assess the final rules once the relevant legislation, regulations or guidance are issued.

Next Steps

Taken together, these measures reflect Singapore's continued effort to anchor high-value asset management activity onshore, at a time of growing regional competition for fund managers, capital and investment talent.

Firms already operating under Sections 13D, 13O, 13OA, 13U or 13V, or considering a Singapore fund management platform, should begin reviewing their current fee and profit-sharing structures now, so that they are positioned to take advantage of the exemption once its final conditions are confirmed at Budget 2027.

Businesses looking to recruit or relocate senior investment professionals should also monitor the proposed Investment Management Track under the ONE Pass, particularly as further guidance becomes available on the treatment of performance-linked compensation. Alitium will continue to monitor these developments and provide further updates as the detailed rules and implementation measures are announced.

For more information: https://www.mas.gov.sg/news/media-releases/2026/mas-introduces-measures-to-strengthen-singapores-competitiveness-as-a-leading-asset-management-hub

Should you require advice on Singapore fund structures, tax considerations or regulatory requirements, please contact the Alitium team at *singapore@alitium.com*

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