



SingaporeFunds

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**F**UNDS  
**I**NDUSTRY  
**G**ROUP  
**JOURNAL**

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<b>SFIG Journal Foreword</b>	3
<b>Editor's Introduction</b>	4
<b>Our Stakeholders</b>	5
<b>Executive Committee Members</b>	6
<b>FEATURED Interview with the MAS</b>	10
<b>Infrastructure &amp; Innovation Working Group</b>	16
<b>Policy Working Group</b>	19
<b>Capabilities &amp; Training Working Group</b>	25
<b>Promotion &amp; Advocacy Working Group</b>	30
<b>Editorial Guidelines</b>	35
<b>Contacts</b>	36



Singapore's funds sector has come a long way since the early 1990s. Today, we have more than 1,180 fund managers operating in Singapore. Singapore has grown to become a global gateway for fund managers and investors to tap the region's growth opportunities. Total assets under management (AUM) have grown exponentially from S\$25.6 billion in 1991 to S\$5.4 trillion as at 2021. Close to 80% of these monies were sourced from outside Singapore, and 90% have been invested in markets outside Singapore.

Beyond anchoring fund managers, Singapore has made its mark as an Asian centre for fund domiciliation in recent years. The introduction of the VCC framework in January 2020 provided Singapore-based fund managers a bespoke onshore fund structuring option for their regional and global strategies. I am encouraged that in the short span of three years, more than 510 regional and global fund managers have incorporated or redomiciled 900 VCCs in Singapore to date, demonstrating the commercial viability of the new VCC structure. With this evolution into a full-service asset management and fund domiciliation centre, Singapore has also anchored an extensive network of professional service providers, including law firms, tax advisors, fund administrators, fund directors and custodians, that support the needs of the growing ecosystem.

Much of this growth over the last two decades has been the fruit of close partnership between MAS and the asset management industry. To further strengthen this partnership, MAS established the Singapore Funds Industry Group (SFIG) in 2021. I am heartened that in the first two years of its launch, SFIG has launched various initiatives to improve infrastructure and capabilities in the asset management industry. To enhance the efficiency of funds settlement in Singapore, SFIG partnered Fundnode, a joint venture between SGX Group and Temasek, to design an industry-wide investment funds settlement utility using distributed ledger technology. To raise the standards for investment fund corporate governance, the Singapore Fund Director's Association (SFDA), represented on the SFIG, co-developed with other SFIG members a voluntary code of conduct for fund directors and introduced an associated certification programme.

Technology will continue to disrupt fund managers' traditional business models, and at the same time provide new opportunities to enhance efficiencies in the marketplace. Equally pertinent will be the growing focus on climate change, providing opportunities for the finance industry to crowd-in capital to support the sustainability agenda and transition activities.

I am glad that SFIG has commenced work to tackle these challenges. To prepare for a digitally native world, SFIG is studying how funds and investment assets can be digitally represented as smart contracts on a blockchain as part of Project Guardian led by MAS. To complement sustainability and transition efforts across the broader asset management sector, SFIG is studying opportunities for a ESG fund labeling framework. This close collaboration between MAS and the industry stakeholders, with SFIG as the pathfinder, will ensure that the Singapore asset management industry continues to stay relevant and attractive to fund managers and investors alike.

I commend SFIG for its vision and leadership in laying firm foundations for the future of the asset management industry in Singapore.



We are delighted to launch the inaugural Singapore Funds Industry Group (“SFIG”) Journal. The Singapore asset management industry has further strengthened its credentials to be a leading Asian fund domiciliation centre through the launch of the Variable Capital Companies (“VCC”) Framework in early 2020 and the new vehicle has seen solid traction since its launch, despite Covid, with over 900 VCC funds launched as of time of publication.

The Singapore asset management industry is shaping up to forge ahead and SFIG collaborates with the industry closely to drive industry-wide initiatives and further contribute to the vibrant asset management ecosystem.

In this, our first edition, we commenced with a foreword from Ravi Menon, Managing Director of the MAS where he covers the growth of Singapore’s funds sector, the strong partnership between MAS and the asset management industry, and the significance of the forward-looking initiatives SFIG has taken on, to address both the industry’s challenges and opportunities.

FEATURED

Following that, we present one of the most in depth, publicly released interviews ever conducted with MAS covering their views on the asset management industry, the positioning of Singapore as an asset management and fund domiciliation hub and the importance of and their commitment to continued, deep, cooperation with the industry.

We subsequently include four articles where each of the SFIG Working Groups explain their objectives and share current key projects they are working on.

The SFIG **Infrastructure & Innovation Working Group** elaborate on their innovative plans in “**Rethinking the Game: Accelerating Singapore’s Asset Management Industry into a new Digital Age**”.

The SFIG **Policy Working Group** provides an overview of the current Singapore legal and tax framework, including tax incentives in “**Overview of Singapore Fund Regulatory and Tax Initiatives**”.

The **Capabilities & Training Working Group** share their plans in “**Developing Future Capabilities in Singapore’s Funds Industry**”.

The **Promotion and Advocacy Working Group** expands on the theme “**Singapore Rising – Asia’s Onshore Fund Hub**”.

We welcome articles from all industry participants with a focus on original articles as well those that specifically relate to Singapore’s asset management industry. With our second edition targeting Q4 2023, we look forward to receiving your submission requests. The Journal’s editorial policy and guidelines are shared along with SFIG contact details, at the end of the publication.

We appreciate and look forward to your continued support.

## Our Stakeholders



Monetary Authority  
of Singapore

### MAS

The Monetary Authority of Singapore (MAS) is the central bank of Singapore and integrated financial regulator. MAS also works with the financial industry to develop Singapore as a dynamic international financial centre. Their mission is to promote sustained non-inflationary economic growth, and a sound and progressive financial centre.

<https://www.mas.gov.sg/>

### SVCA

The Singapore Venture Capital & Private Equity Association (SVCA) was formed in 1992 to promote the development of the venture capital (VC) and private equity (PE) industry. Its mission is to foster greater understanding of the importance of venture capital and private equity to the economy in support of entrepreneurship, innovation, and growth, and to represent the interests of their members in the broader VC and PE community.



<https://www.svca.org.sg/>



### AIMA

The Alternative Investment Management Association ("AIMA") represents the global alternative investment industry. 2,000 corporate members are spread across 60+ countries with \$2 trillion+ hedge fund and/or private credit assets of manager members. Founded in 1990, with the Singapore Chapter being established in 2006, its core objective is to provide leadership to the alternative investment industry and to be its pre-eminent voice globally.

<https://www.aima.org/>

### SFAA

Founded in 2007, the Singapore Fund Administrators Association (SFAA) was established with the mission of driving the growth and standard of fund administration in support of Singapore's development as a global asset management hub. The SFAA serves as a central platform for fund administrators to discuss and push forward industry issues as a collective voice.



<https://sfaa.com.sg/>



### IMAS

The Investment Management Association of Singapore (IMAS) was formed in 1997 and is a representative body of investment managers spearheading the development of the industry in Singapore. Its mission is to spearhead the development of the industry in Singapore by fostering high standards of professionalism amongst practitioners and creating public awareness of, and interest in the industry.

<http://www.imas.org.sg/>

### SFDA

Established in 2020, the Singapore Fund Directors Association (SFDA) was formed with the mission to be Singapore's premier body representing fund directors to foster long-term success through advocacy and standards-setting in corporate governance, and professional development for fund directors.



<https://www.sfda.com.sg/>

## Executive Committee Members



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**Gillian Tan**  
*Co-Chair  
Singapore Funds  
Industry Group*

Gillian Tan is the Assistant Managing Director of the Development and International Group, overseeing MAS' strategies to develop Singapore as an international financial centre as well as MAS' international relations and engagements and serves as the Chief Sustainability Officer, MAS. Prior to this appointment, Ms Tan was Executive Director of the Financial Markets Development Department, which aims to promote a vibrant financial market in Singapore, with a focus on developing the capital market, asset management and insurance sectors as well as green finance capabilities and solutions. From 2016-2019, she served as Executive Director of the Enforcement Department, which is responsible for investigating and enforcing breaches under the laws administered by MAS, including anti-money laundering regulations and market misconduct offences.



**Kai-Niklas Schneider**  
*Co-Chair  
Singapore Funds  
Industry Group*

Kai-Niklas Schneider is a Partner and Head of the Funds and Investment Management Group for Clifford Chance in Singapore. Kai is a US-qualified lawyer with over 20 years of specialist experience in the funds sector and advises clients on the formation of and investment in a wide variety of private funds. He also counsels clients on co-investments, secondaries and spin outs. As a member of Clifford Chance's global Executive Leadership Group, he leads the firm's highly successful global focus on financial investors. Kai is also a member of the Advocacy Subcommittee of the Singapore Venture & Private Capital Association (SVCA) and the Singapore Executive Committee of the Alternative Investment Management Association (AIMA). He is ranked Band 1 in Chambers Global and Legal 500.



**Ross Crawford**  
*Chairman, Alternative  
Investment Management  
Association*

Ross is currently General Counsel Asia for Millennium Management, advising on Millennium's trading, operations and activities in the Asia Pacific region. He has over 20 years' experience advising in the financial services industry. He has specific expertise and experience in advising on derivatives and capital markets, complex regulatory investigations, corporate restructuring and litigation. Prior to joining Millennium Ross was the General Counsel Asia Pacific for RBS plc and was a board Director of several of RBS's banking subsidiaries in the region.



**Sunil Mishra**  
*Chairman, Singapore  
Venture Capital & Private  
Equity Association*

Sunil specializes in fund selection, due diligence, negotiations, and monitoring of Asian investments ex-China, specifically in India, Australia, Japan, Southeast Asia, and Korea. He actively participates in all fund investment decisions and is involved in the sourcing, screening, execution, monitoring, and exiting of growth and buyout coinvestments. He manages relationships with several of Adams Street's managers and sits on advisory boards of over a dozen private equity firms within the Adams Street Partners portfolio. He is also a member of Adams Street's ESG Committee.



**Eleanor Seet**  
*Deputy Chairman,  
Investment Management  
Association of Singapore*

Eleanor Seet is Head of Asia ex-Japan and President Singapore for Nikko Asset Management. She is instrumental in driving Nikko AM's growth in the region, with oversight of Singapore and Hong Kong, and joint venture relationships in China and Malaysia. She is also chair of the Institute of Banking and Finance (IBF) Fund Management Workgroup and member of the Standards Committee, Eleanor is a founding member of the Bloomberg Women's Buy-side Network and a mentor of the Financial Women's Association of Singapore. She holds a Bachelor of Economics from the University of New South Wales, Sydney. In 2022 she was conferred the IBF Distinguished Fellow distinction.



**Ashmita Chhabra**  
*Chairperson, Singapore  
Fund Administrators  
Association*

Ashmita Chhabra has two decades of experience working with global asset owners and managers in the APAC region. She spent a decade supporting asset managers on fund set-ups, service provider selection, due diligence processes and strengthening operational infrastructure and outsourcing models. She was responsible for business development, client relationship management and expansion strategy at a global provider. Prior, she spent a decade building the alternatives research business of a global research house. She is an independent director on various fund boards and SPVs. She has dedicated her career towards enhancement of Singapore's funds ecosystem in various capacities and is also on committees of AIMA and SVCA.

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**Martin O'Regan**  
*Chairman, Singapore  
Fund Directors  
Association*

Martin O'Regan is managing director of Solas Fiduciary Services, providing truly independent directorship service, based in, and privately owned in Asia. With over 20 years of experience in investments funds and other alternative investment vehicles, Martin has held senior roles for Deutsche, Citi, Apex and UBS at Bermuda, Dubai, Cayman Islands, Hong Kong, and Singapore. Martin is licensed as a director with the Cayman Islands Monetary Authority (CIMA).



**Amy Ang**  
*Partner, Financial  
Services Tax Leader,  
APAC, Ernst & Young*

Amy Ang is a tax partner based in Singapore, leading the EY Financial Services Tax Practice across Asia Pacific. Amy has more than 20 years of experience as a tax advisor, specialising in the Asset Management, Banking and Capital Markets, and Insurance. She works closely with clients, industry players and authorities, and regularly speaks to media and with industry bodies. She is known to provide pragmatic tax advice with a commercial lens and is actively consulted on tax changes impacting the Asia Pacific region and specifically on the impact on funds and financial institutions.



**Justin Ong**  
*Head of Asset & Wealth  
Managed Services, PwC  
Singapore*

Justin is the PwC Asset & Wealth Managed Services Leader in Singapore and has more than 32 years of experience working with asset managers in Singapore, London and Continental Europe, including two years in Luxembourg advising Asian asset managers on market entry and fund distribution in Europe as well as European managers and asset servicers around opportunities in Asia. He has a Bachelor of Economics degree from Monash University, Australia and holds the Investment Management Certificate (IMRO Full Version) issued by the Institute of Investment Management and Research (UK). He is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Practising Accountant (CPA) of the Australian Society of Institute of Certified Practising Accountants.



**Arnold Tan**  
*Co-Head, Funds and  
Investment Management  
Group, Rajah & Tann*

Arnold joined Rajah & Tann Singapore LLP as a partner in 1999. His primary focus is in investment funds and related regulations. He co-leads the Funds & Investment Management Practice Group that provides advice on fund management and investment advisory services, and generally on the establishment of both onshore and offshore investment funds. Arnold has been named as a leading lawyer for private funds and regulatory matters by Who's Who Legal, Chambers Asia Pacific and Euromoney's Guide to the World's Leading Investment Funds Lawyers. His team represents a broad cross section of investment managers in Singapore across various asset classes, as well as wealth management departments of banks, fund administrators, investment fund distributors, trustees and custodians.

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**Mark Voumard**  
*Founder & CEO,  
Gordian Capital*

With four decades of experience based in Asia, Mark is founder and CEO of Gordian Capital Singapore (est. 2005), Asia's leading independent alternatives institutional platform and fund structuring specialist (AUM US\$11.2bn) where he has structured and launched over 100 funds (hedge, private equity, venture capital, real estate, and private credit). Mark is registered with the MAS as a Registered Representative, ASIC and the US SEC, is a Member of the Australian Institute of Company Directors (AICD) and the International Bar Association (IBA). He represents Gordian Capital as a member of AIMA, SVCA, IMAS and AVPN. He is a fluent Japanese speaker.



**David Ng**  
*Deputy CEO, CSOP Asset  
Management (Singapore)*

David is the deputy CEO of CSOP Asset Management (Singapore) and is responsible for the business strategy and growth of Singapore and Southeast Asia businesses. David is also the Group Chief Operating Officer of CSOP Asset Management Limited ("CSOP") where he drives the infrastructure strategy and leads the digital transformation initiative for CSOP. He serves on the Executive Committee and is also Chair of the Digital Innovation Committee of IMAS. David has a Master of Applied Commerce (Accounting) from The University of Melbourne and a Master of Business Administration from the University of Chicago – Booth School of Business.



**Anulekha Samant**  
*Partner, Tax, Co-Sector  
Head, Asset Management  
and Real Estate, KPMG in  
Singapore*

Anu is a Partner in the Firm's corporate tax practice and is focused on the Asset Management sector. She has served a wide portfolio of clients, mostly multinationals. Anu is involved in advising fund managers on tax efficient structures for their fund vehicles focusing on various asset classes and various geographies. She is involved in the tax aspects of fund formation, and has worked with fund managers in structuring downstream investments in the Asia-Pacific region. Anu has over 23 years of tax experience working in Singapore, Switzerland and India, of which 17 years have been in Singapore. Anu is a member of the Advocacy Subcommittee of the SVCA.

*With gratitude to ExCo Members that served from March 2021 to May 2023:*



**Sanjay Gujral**  
*Chairman, Singapore  
Venture Capital & Private  
Equity Association*



**Susan Soh**  
*Chairperson, Investment  
Management Association  
of Singapore*



**Danny Yong**  
*Chief Investment Officer  
and Founding Partner,  
Dymon Asia*



**Gillian Tan**

*Assistant Managing Director of Development & International Group  
and Chief Sustainability Officer,  
Monetary Authority of Singapore*

**Q: How is Singapore promoting its appeal to hedge funds, private equity, and AIMS?**

- GT:**
- The alternatives sector continues to record strong growth in Singapore’s fund management centre. Assets under management within the alternatives sector grew at 30% year-on-year to reach SGD 1.23 trillion in 2021. Venture capital and private equity continue to be strong performers within this segment, growth of VC and PE AUM was robust at 48% and 42% respectively.
  - Singapore has become a thriving launch pad for Asian enterprises looking to raise capital for their growth plans, with more than 300 global and regional VC and PE managers based in Singapore. Singapore accounts for a fifth of Asia-Pacific’s VC and PE market and offers a diversified pool of strategies from buy-out to venture, growth, secondaries, debt and funds of funds.
  - Singapore is growing its base of alternatives investment managers and AUM through:
    - » The MAS’ Private Markets Programme (PMP) under which MAS will place up to US\$5 billion with PE and infrastructure fund managers. Mandates have been awarded to a strong base of top tier global PE and infrastructure fund managers which have invested significant investing capabilities and business operations in Singapore.
    - » Partnering industry on initiatives to increase deal flows of VC and PE managers at various stages of the financing lifecycle (e.g. Deal Fridays, a series of curated and targeted investor/corporate-startup matchmaking sessions) and to profile ASEAN’s VC and PE landscape through collaborative research.



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- GT:**
- » Developing equity financing channels for high-growth technology firms. Many funds and investors chasing for yield are attracted to Asia's strong fundamentals, growing economies and rapidly advancing technological capabilities. To capitalise on this, MAS is enhancing the value proposition of Singapore as a hub for investors and entrepreneurs of such firms by working alongside SGX, Temasek and EDBI on a package of initiatives to support high growth enterprises going public. The initiatives will enhance Singapore's attractiveness as a destination for capital raising by local and regional enterprises.
  - » Broadening exit options for private markets investors, beyond trade sales and initial public offerings. MAS has awarded Recognised Market Operator licenses to private markets platforms to enable high-growth private companies to raise capital and allow investors to buy and sell private companies' shares in a regulated and transparent manner.

**Q: What has been the impact of the unveiling of the Variable Capital Companies Act? How well has the VCC been received by global fund managers, and to what extent has it led to new strategy launches among both existing and first-time managers?**

- GT:**
- The **Variable Capital Companies (VCC)** Framework has enhanced Singapore's value proposition as a leading full-service fund management and fund domiciliation hub. The VCC provides the fund management industry with a new corporate structure tailored for investment funds, offering them greater operational flexibility and cost savings. Fund managers using the VCC framework benefit from its flexible capital structure, effective segregation of assets and liabilities, and ability to cater to open and close-end funds.
  - The VCC regime has had strong traction and we see good growth momentum. Over 900 VCCs have been incorporated by more than 510 Singapore-based fund managers since the launch of the VCC framework in January 2020. The VCC structure has anchored diverse use cases, across both traditional and alternative investment strategies, which demonstrates the versatility of the VCC framework. These use cases include an ETF listed on SGX for retail distribution, ESG strategies and wealth management strategies managed by regulated asset managers on behalf of accredited investors and family offices.
  - Some fund managers have also redomiciled their existing funds to Singapore, including from Cayman Islands, Bahamas, Mauritius and Cook Islands. This demonstrates the global appeal of VCC to fund managers who seek to enhance the substance of their activities locally, and to maximise operational efficiencies and cost savings from co-locating their fund management and fund domiciliation activities in Singapore.
  - The growth of fund domiciliation and fund management activities is also driving business growth for service providers such as lawyers, accountants, fund administrators, and fund custodians within the funds ecosystem.





**Q: How important is the partnership between MAS and the private sector? Could you describe the drivers behind this move and what its reception has been so far? What do you hope to achieve in the future? How might global fund managers best use SFIG?**

- GT:**
- MAS enjoys a close partnership with the asset and fund management industry. We work together to achieve our shared goals – to drive growth, good jobs, efficiency and connectivity in the industry.
  - The Singapore Funds Industry Group (SFIG) is a great reflection of this partnership. It was established in April 2021, and through four working groups focusing on digitalisation and innovation, policy advisory, talent development and promotion and advocacy, is supporting the growth of the fund management ecosystem.
  - SFIG’s current ongoing efforts include:
    - a. The Infrastructure and Innovation working group is examining the feasibility of developing fund data and settlement platforms that collect and harness insights through data analytics, streamline manual processes and automate reporting.
    - b. The Policy working group is reviewing and recommending enhancements to the current suite of fund structures, including the VCC framework, and considering broadening the range of fund structuring options in Singapore.
    - c. The Capabilities and Training working group is reviewing the talent development landscape for funds professionals and will be collaborating with tertiary institutions, professional bodies and training providers to upskill professional standards and build deep capabilities for these professionals, including in new and emerging areas such as fund governance, and green finance and ESG solutions.
    - d. The Promotion and Advocacy working group has been organising and participating in thought leadership events, and developing a central online platform on Singapore’s fund management hub, to engage the Singapore and global asset and fund management industry, and raise Singapore’s profile as a leading asset management and fund domiciliation hub.
  - We encourage the fund management and administration industry to tap on SFIG to help ideate, test and implement as it works on digital utilities and infrastructure, provide feedback and insights on regulatory, legal and tax frameworks conducive to Singapore’s development as a funds hub, and contribute content and attend its training and engagement sessions.

**Q: What do managers need to understand, in terms of private fund formation, ongoing regulatory disclosures, and what are those in Singapore’s service provider ecosystem doing to increase the scope and value of their fund services?**

- GT:**
- To support the growth of the private markets and to develop the fund servicing ecosystem, MAS has launched various initiatives to support fund managers’ efforts to structure private funds in Singapore as well as deepen private market financing channels in Singapore and investments in the broader Asian region. Some of these MAS and industry-led initiatives, are as follows:

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- GT:**
- In October 2017, MAS launched a simplified regulatory regime for venture capital fund managers (VCFM) to operate in Singapore, creating a new category of capital market services (CMS) licenses recognising the more sophisticated investor base for VCFMs compared to other fund types. This has helped attract new fund managers to Singapore to better support and finance start-up and growth stage businesses. To date, more than 100 entities have been awarded the specialised VCFM CMS license.
  - Industry-led initiatives such as the Singapore Academy of Law's Venture Capital Investment Model Agreements (VIMA), which were first released in 2018, help to provide private investors, fund managers and entrepreneurs with a set of standard terms and documents for early-stage VC transactions. These can enable deal and cost efficiencies reducing transaction costs and shortening the time needed to close investment rounds.
  - Industry associations, such as the Singapore Venture Capital and Private Equity Association (SVCA), the Alternative Investment Management Association (AIMA) and the Investment Management Association of Singapore (IMAS) are also important bodies that help to mobilise collaboration and facilitate expertise building of the fund services ecosystem. This is particularly important as the nature of jobs and skillsets in the industry shift due to emerging trends such as digitalisation, private markets investing and responsible fund governance. For instance, in September 2020, the Wealth Management Institute (WMI), with the support of IMAS, SVCA and MAS, launched the Asset Management Trainee Programme to support long-term capability building and continued healthy growth of the fund services and asset management industry.
  - The introduction of the VCC framework in January 2020, has also provided an alternative structuring option for fund managers seeking to co-locate their investment fund domicile with their fund management activities to enhance the substance of their operations in Singapore.
  - As private markets including PE and VC deepen, service providers and private firms in Singapore are also exploring new innovations and technologies to expand the back-end efficiencies as well as front-end opportunities for different fund types. For instance, several firms in Singapore are using blockchain and DLT to tokenise investment funds and democratise investor access to sophisticated alternative investment strategies such as private equity and real estate through fractionalisation.
  - High quality disclosure requirements are instrumental in building investor trust and ensuring robust risk management across traditional and alternative asset classes. One of the emerging areas which will undoubtedly require more transparency and action from fund managers is in sustainability disclosures. MAS is developing disclosure standards and expectations to help investors make clear, consistent and comparable assessments of funds' green credentials.
  - The Green Finance Industry Taskforce (GFIT) convened by MAS has published a white paper identifying five key sectors that have the greatest near-term potential to catalyse change for the greening of the economy in Singapore and the region. One of these key sectors is fund management

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- GT:** where one of the recommendations for next steps has been to encourage green fund certification and disclosures.
- MAS already expects all banks, insurers, and asset managers to make climate-related disclosures from June 2022 aligned with international reporting frameworks such as the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and is consulting industry on how to transition these expectations into mandatory requirements.
  - To address risks of greenwashing, MAS released in July 2022 its regulatory expectations on the disclosure standards that retail funds in Singapore with an ESG investment objective must meet. The disclosure requirements will seek to achieve the following objectives for investors:
    - » First, investors are able to better understand the criteria that an ESG fund uses to select its investments.
    - » Second, investors are able to obtain from a single offering document information on a fund's investment process, as well as the risks and limitations associated with its ESG strategy.
    - » Third, investors receive periodic updates on whether the investment objective of an ESG fund has been met.

**Q: What else needs to further improve within Singapore's funds industry to help it truly compete with other leading fund domiciles?**

- GT:**
- Singapore's asset management industry has seen robust growth with overall assets under management (AUM) in Singapore growing by a 5-year CAGR of 13% as of end-2021 to SGD 5.4 trillion (USD 4 trillion). Singapore's asset management ecosystem has evolved over the years and anchored asset management capabilities across both the traditional and alternative sectors, serving investors both in the region and globally. To date, there are in excess of 1180 licenced and registered asset managers operating in Singapore managing diverse strategies such as private equity, venture capital, real estate, hedge funds, infrastructure and private credit. In addition, Singapore is a leading global-Asia hub for sophisticated global public investors to anchor their regional operations and access investment opportunities in APAC.
  - In addition to our efforts on VCCs, and SFIG, MAS is focusing on three areas to continue to strengthen Singapore's proposition as a full-service funds domiciliation centre:
    - First, improving and developing a comprehensive suite of fund structuring vehicles to meet fund managers and investors' needs.
    - For instance, MAS is considering the possibility of widening the scope of permissible fund managers with relevant safeguards to potentially allow licence exempt entities to use the VCC framework.

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- GT:**
- Furthermore, building on stakeholder feedback to MAS and ACRA in 2020, public consultations on the Limited Partnerships Act were held in November 2021 and further. It is expected to make Singapore's Limited Partnership (LP) regime more attractive for use as an investment fund structure by managers seeking to launch private market strategies.
  - Second, MAS is exploring opportunities to anchor new use cases for Singapore-domiciled funds and to participate in regional fund passporting arrangements beyond ASEAN CIS, such as the Asia Region Funds Passport (ARFP). We also seek to work closely with key fund jurisdictions to explore partnership opportunities including Mutual Recognition of Fund (MRF) arrangements going forward.
  - MAS is also actively monitoring digitalisation trends and opportunities to collaborate with the industry players to identify industry-wide problem statements and implement digital solutions to bring about market efficiencies. For instance, the recent proof-of-concept to tokenise an e-VCC using a blockchain native structure is one example of future ways in which digitalisation can potentially unlock new distribution opportunities and use cases for VCCs. In addition, given the asset management industry's pivot towards sustainability and the ESG agenda, there are opportunities to anchor capabilities to develop new products and solutions to meet investors' diversification needs.
  - The MAS has also launched Project Guardian, a collaborative initiative with the financial industry that seeks to explore the economic potential and value-adding use cases of asset tokenisation. Project Guardian will test the feasibility of applications in asset tokenisation and DeFi while managing risks to financial stability and integrity.



- » Explore new innovative trends and consider industry-wide gaps relating to business processes and protocols.
- » Propose industry-wide utility solutions to enhance operational productivity and efficiency through building digital gateways and platforms accessible to market participants and stakeholders.
- » Criteria of development ideas include having cross sector impact, be digital-led, forward looking and creates opportunities for the development of new skills and deepening the talent workforce in Singapore.

## Rethinking the Game: Accelerating Singapore's Asset Management Industry into a New Digital Age

**“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.” – R. Buckminster Fuller**

Despite the headwinds and challenges, the asset management industry in Singapore has continued to grow strongly even during the pandemic.

The digital transformation agenda has been accelerated by the pandemic. Today, most if not all asset managers are evaluating their strategy to gain a competitive advantage with digital as an enabler. Examples of some innovative efforts include automating routine operational processes using robotics technology, working with fintechs to develop data analytics solutions and robo-advisor tools and online platforms for product distribution. Notwithstanding, more can be done to bring about increased efficiency and productivity across the broader asset management value chain.

Innovation applied through industry-wide projects could benefit participants across the asset management ecosystem. For example, this could include allowing investors to receive real-time updates on portfolios, facilitating instantaneous settlement of fund/security transactions or even aggregating data for financial and regulatory reporting. At present, some industry transactions and settlement processes are still paper-based and manual, while most of the digital development tends to be fragmented and decentralised within proprietary platforms offered by service providers for their clients. As such, there are opportunities to conceptualise and develop centralised digital utility platforms that has the potential to bring about wider efficiency in the marketplace and to raise overall productivity in the asset management industry.

The Innovation & Infrastructure Working Group's (“I&IWG”) purpose is to be the nucleus where new and existing ideas related to the digital innovation and enhancements in the Singapore asset management industry can be brought together and worked on, based on a belief of a centralised platform that can serve all stakeholders, across all products and services and eventually even across borders. Such a bold and ambitious idea will take time to conceptualise, develop, scale and eventually gain wider market traction, but an essential starting point is to identify critical problem statements where individual solutions can be worked on using digital technology, but always with the end-goal of ultimately linking everything together to provide ease of access, navigation and governance.

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To begin with, the I&I WG has kick-started three ideations, as follows:

Idea/Concept	Description	Stage
Fund Settlement	All ecosystem participants exchange information with other entities through an industry utility which removes the need for facsimile and maintaining multiple communication software and bilateral connections. All settlement and reconciliation of positions (e.g. funds sold / bought) will be processed via a common blockchain based system, removing the need for manual reconciliations.	Next-stage Proof-of-Concept (PoC) development
Fund Data	Centralised “data-first” infrastructure based on distributed ledger technology which automatically ingests timely fund level data directly from primary data sources. The long-term view is to create a “single source” of reliable and verifiable data points on funds as well as for asset managers to provide greater transparency to stakeholders.	PoC ideation stage
Fund ESG Labelling	A unified framework of disclosure standards and guidelines for ESG / green funds, through a proposed ESG fund labelling agency.	Preliminary ideation

To provide more context on the two projects which are in development, here are some further insights:

### Fund settlement

Singapore is rapidly embracing its Smart Nation agenda and improving its digital capabilities. Similarly, the asset management industry in Singapore needs to keep pace with rapid changes and increased demand for sophistication. The investment fund distribution value chain in Singapore could benefit from digital-led improvements to move away from manual processes and non-digital exchange of information so as to create quicker settlement cycles for mutual funds with minimal processing errors. With the industry coming under sustained pressure to reduce expense ratios, the transition of the industry towards more digital processes was a welcome development. Under the support of National-Markets Practice Group and with the support of the Monetary Authority of Singapore (MAS), a study was conducted to investigate the feasibility of an industry utility for Singapore’s funds market that would digitise the funds distribution operational process and reduce costs for the end investors. Having received overwhelming support from the industry for this concept, the next stage of the journey is the development of a PoC for this proposed utility, which is currently being developed and tested by Marketnode. This PoC will focus on streamlining the settlement of existing Central Provident Fund approved funds with limited participants. Upon the successful completion of the PoC, the utility will be expanded to all participants and other functionalities.

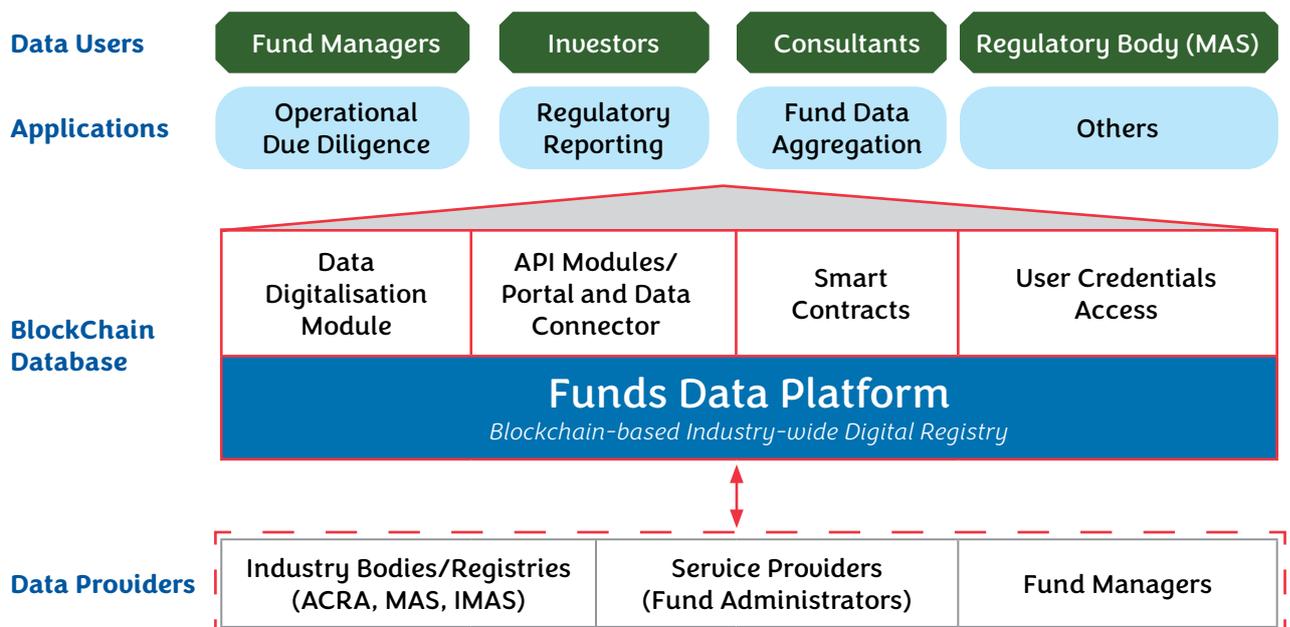
### Fund data

Fund data today is fragmented, unstructured, with multiple ledgers being used across different players and platforms. As a result, there is no single unified source of data which can be easily accessed,

(continued)

digested and analysed for different uses across the industry. A lot of time and effort is required on the part of users to assess data sources for appropriate, timely, and complete data sets, ensuring reliability and consistency as well as processing the data (i.e. ingest, structure, and cleanse). Similarly for data providers, extensive resources are spent on interpreting data requests and requirements, adjusting and customising reports, responding to multiple yet similar requests as well as managing risk and rights of use.

The fund data platform concept being explored focuses on data, particularly fund and fund related data, and how industry participants can leverage a common data platform to address shared pain points and strengthen existing offerings. This common fund data platform would combine fund and related data from multiple sources into one centralised location to facilitate ease of access, efficiency, and trust through a governance framework ensuring that data is timely, relevant, reliable, and secure.



Initial industry-wide ideation sessions were held in September 2021 to cater to the various interest groups that represent key stakeholders in the fund management ecosystem represented on SFIG, i.e., the Investment Management Association of Singapore, the Alternative Investment Management Association, the Singapore Venture & Private Capital Association, the Singapore Fund Administrators Association and the Singapore Fund Directors Association. From these sessions, further input and feedback was obtained on the feasibility of a national fund data platform, and the I&I WG is currently developing a potential PoC ideation based on a common agreed theme, i.e. fund manager and investor KYC.

There is a lot more engagement that will be facilitated with the SFIG, and work to be done on these significant projects, both for the fund settlement utility which is in a more advanced stage as well as the nascent ideation of the national fund data platform. The I&I WG looks forward to facing and tackling the challenges head-on in the years to come, to ensure a successful outcome beneficial to the wider asset management ecosystem in Singapore.

- » Assist in formulation of pragmatic policies to promote growth of the funds industry, principally focusing on regulatory & tax aspects to complement initiatives critical to the continued expansion of the Singapore fund industry.
- » Work with industry to provide feedback on enhancements to current policy with regular reviews of the Singapore funds regime to ensure it remains relevant and progressive.
- » Provide industry viewpoints on new legislation and initiatives in order to enhance their relevance and effectiveness.

## Overview of Singapore Fund Regulatory and Tax Initiatives

Singapore continues to enhance its attractiveness as a location for fund managers to manage their assets under management and to establish fund vehicles, especially for investments into the Asia Pacific region. The growth of the fund management industry in Singapore has been exemplary in the last two decades and is primarily attributable to several factors including ease of doing business, robust regulatory standards, excellent global connectivity as well as various tax incentives which offers tax neutrality to funds managed by Singapore-based fund managers.

### Fund manager - licensing requirements

Singapore has a clear framework for the conduct of fund management activities. Any company conducting regulated fund management activities in Singapore must be registered with the Monetary Authority of Singapore (“MAS”) or hold a capital markets services (CMS) licence to operate either as a registered fund management company (RFMC) or a licensed fund management company (LFMC). LFMCs are further categorised into retail LFMCs and non-retail LFMCs. A simplified license category for Venture Capital Fund Managers (VCFM) was introduced in 2017 to promote financing for enterprise development.

Comprehensive details and regulatory links to establishing a fund management business in Singapore: <https://singaporefunds.sg/establishment>



**(continued)**

The table below provides a brief summary of the requirements for the 4 categories of regulated fund managers in Singapore:

	RFMC (Registered Fund Management Company)	VCFM (Venture Capital Fund Management Licence)	A/I LFMC (Capital markets services licence for fund management for accredited / institutional clients only)	Retail LFMC (Capital markets services licence for fund management)
<b>Type of Investors</b>	Qualified Investors*	Qualified Investors*	Qualified Investors*	No restrictions
<b>Assets Under Management (AUM)</b>	Total AUM cannot exceed S\$250 million	No restrictions	No restrictions	No restrictions
<b>Base Capital Requirement</b>	At least S\$250,000	S\$0	At least S\$250,000	At least S\$500,000 (if not managing CIS) or S\$1,000,000 (if managing CIS)
<b>Directors</b>	Minimum of 2, each with at least 5 years of relevant experience	Minimum of 2	Minimum of 2, each with at least 5 years of relevant experience	Minimum of 2, one with at least 5 years of relevant experience and the other with more than 10 years of relevant experience.
<b>Relevant Professionals/ Representatives (including the CEO, directors)</b>	Minimum of 2, each with at least 5 years of relevant experience	Minimum of 2	Minimum of 2, each with at least 5 years of relevant experience	Minimum of 3, each with at least 5 years of relevant experience

\*Qualified investors generally refer to an accredited investor (a high net worth individual or certain entities), a collective investment scheme offered in Singapore only to accredited/institutional investors, a closed-ended fund offered only to accredited/institutional investors, or a limited partnership comprising solely of partners who are accredited/institutional investors.

**Fund structures**

Prior to 2020, Singapore offered three types of legal entity forms for establishing fund vehicles. These legal entity forms included private limited companies, limited partnerships (“LP”) and unit trusts. While commonly used in the fund management industry, these legal entity forms have their own constraints. For example, the LP structure is not regarded as a separate legal entity and accordingly, is regarded to be tax transparent from a Singapore tax perspective and is unable to avail itself of tax treaty relief. On the other hand, funds structured as a private limited company may face cash trap repatriation issues as dividends can only be declared with positive retained earnings. The unit trust structure is relatively less commonly adopted for non-retail funds domiciled in Singapore.

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To address the above limitations and to further enhance the attractiveness of Singapore as a domicile for establishing investment funds, the MAS and the Accounting and Corporate Regulatory Authority (“ACRA”) launched the Variable Capital Company (“VCC”) on 15 January 2020 as a new flexible corporate structure designed specifically for investment funds. The VCC, constituted under the Variable Companies Act, has attracted diverse interest from global and local asset managers due to its flexibility, such as its ability to be used as either a standalone fund or as an umbrella fund with multiple sub-funds, across traditional and alternative investment objectives. The VCC was also introduced to allow for flexibility to pay dividends out of capital as well as to issue and redeem shares by investors more easily, amongst other benefits of the VCC.

The table below summarises the key differences between the legal entity forms offered under Singapore laws for Singapore domiciled funds.

	LP	Private Limited Company	Unit Trust	VCC
<b>Separate legal entity</b>	No	Yes	Yes (the trustee)	Yes
<b>Ease of repatriation</b>	Distribution is not limited to available profits	Dividend distribution is subject to availability of positive retained earnings	Governed by trust deed	Ability to redeem shares at net asset value, and pay dividends from capital
<b>Taxation of entity</b>	LP is tax transparent in Singapore. Therefore, if the LP derives taxable income, the limited partner may be required to file a return in Singapore and pay taxes in Singapore	Subject to tax at company level.	May be subject to tax at the unit trust level or unit trust holders level.	Subject to tax at VCC level.
<b>Confidentiality</b>	Certain aspects of LP register open to public	Company information readily available for public to access, which includes details of shareholders, directors, etc. In addition, the financial statements of the company are also open to public.	Yes	Shareholder information as well as financial statements are not available in public domain.
<b>Ability to ringfence investments legally</b>	Not applicable	Not applicable	No, unless it is an umbrella trust with multiple sub trusts	Yes, an umbrella VCC can have multiple sub-funds, with segregation of assets and liabilities
<b>Eligibility for tax treaties</b>	No	Yes	No	Yes

(continued)

## Singapore fund tax exemption schemes

Funds managed by a Singapore based fund manager may be liable to tax in Singapore due to the activities of the fund manager in managing the investments and divestments of the fund and, therefore, income and gains derived by the fund may be considered as Singapore sourced and liable to tax in Singapore.

In 2002, the MAS introduced certain fund tax exemption schemes for funds with an aim to boost the fund management industry in Singapore, to stimulate growth within the financial services sector and to eliminate the fund's tax liability (due to fund manager activities) subject to fulfilment of certain conditions.

Thereafter in 2006, the MAS introduced the Singapore Resident Fund Scheme ("Section 13O" formerly known as 13R) which provided tax exemption (subject to prescribed conditions) to the funds established as Singapore resident companies to encourage domiciliation of funds in Singapore. To streamline the tax incentives, the MAS, in 2007, introduced a new tax incentive scheme ("Section 13CA") which provided tax exemption for income of non-resident funds managed by a fund manager in Singapore to enable fund managers here, to better manage offshore funds.

In 2009, the MAS introduced the Enhanced-Tier Fund Tax Incentive Scheme ("Section 13U" formerly known as 13X) granting tax exemption (subject to prescribed conditions) to fund vehicles managed by Singapore-based fund managers, sweeping aside the condition of tax residency of the fund and its investors. These include master fund, feeder fund, SPV, master-feeder fund structure, master-feeder fund-SPV structure or master fund-SPV structures.

Separately, Enterprise Singapore in 1993 introduced the 13G scheme to encourage the inflow of Venture Capital ("VC") funds into Singapore and to incentivize investments into unlisted Singapore-based enterprises. Under the 13G Scheme, an approved VC fund can enjoy tax exemption on qualifying investment income.

Under the aforesaid tax incentive schemes, certain "specified income" derived by the incentivised fund from "designated investments" is exempt from tax. The exemption covers income from a wide range of investments including stocks, shares, securities and derivatives. A key exclusion is immovable property in Singapore. A broad overview of the key existing fund tax exemption schemes is summarised in the table below.



**(continued)**

Over the years, the MAS together with the Ministry of Finance (“MOF”) have made several enhancements to the tax exemption schemes in consultation with various industry bodies to ensure they remain relevant in positioning Singapore as a leading fund management hub.

**What next**

	Section 13D	Section 130	Section 13U	Section 13G
Legal Form	Offshore funds (company or trust)	Singapore resident company / VCC	Any legal form	LP, company or VCC
Prior Approval	No	Yes		
Use of prescribed fund manager	Yes			No
Exemption restricted to “specified income” from “designated investment”	Yes			
Use of Singapore tax treaties	No	Yes	Depends	
Restriction on investor threshold	Yes		No	
Minimum fund size at point of application	No		Yes	
Minimum annual business spending	No	Yes		
Tax filling requirements	No	Yes		

To continue to stay relevant and attractive as a destination for funds to be domiciled or managed and advised by a Singapore based fund manager, the MAS and MOF together with various industry bodies and associations are in discussions to refine and enhance the current policies in place. This includes possibly expanding the DI list, the upcoming introduction of the LP 2.0 (for which, the ACRA has recently concluded a public consultation on proposed amendments to the LP Act), as well as VCC 2.0 to align the legal form to practical considerations. The Policy Working Group (“**Policy WG**”) is tasked to play an active role in these updates, and actively engaging the entire ecosystem participants via the SFIG connectivity.

(continued)



Year	Amendments / Changes
2010	<ul style="list-style-type: none"> <li>Section 13U scheme was enhanced to accommodate fund management activities which are carried out via master-feeder fund structures.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Expansion of the Section 13D tax exemption scheme to include trust funds with resident trustees, previously included under the Section 13D tax exemption scheme</li> <li>Computation of the value of issued securities based on current value.</li> <li>Expansion of the “designated investment” list to include loans to qualifying offshore trusts, interest in certain limited liability companies and bankers acceptance</li> </ul>
2015	<ul style="list-style-type: none"> <li>Section 13U scheme scope was further enhanced to include the master-feeder-SPV and master-SPV fund structures and to allow such structures to fulfil the economic conditions on a collective basis.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Expansion of Section 13U scheme to include fund vehicles constituted in all forms, beyond trusts, companies, and LPs.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Extension of the tax incentive schemes to 31 December 2024 (which were due to expire on 31 March 2019)</li> <li>Enhancement of the DI list to:                             <ul style="list-style-type: none"> <li>Remove counterparty and currency restrictions</li> <li>Remove the condition for unit trust to invest wholly in DI</li> <li>Include investments such as credit facilities and advances, and Islamic financial products that are commercially equivalent to DI</li> </ul> </li> <li>Enhancement of the SI list to remove the exclusion to interest and related income sourced in Singapore or deemed to be sourced in Singapore</li> <li>Co-investments allowed in Master-Feeder-SPV and Master-SPV structures</li> <li>Extension of Section 13U scheme to managed accounts</li> <li>Changes in the definition of qualifying investor to remove the need for a Section 13O fund to wholly own the underlying Section 13D or Section 13O qualifying fund</li> </ul>
2020	<ul style="list-style-type: none"> <li>Extend and refine the tax incentive schemes for venture capital funds and venture capital fund management companies</li> </ul>
2022	<ul style="list-style-type: none"> <li>Refinement of the DI list to explicitly include investments in non-publicly traded partnerships</li> </ul>

- » Initiatives to build industry capabilities and knowledge supporting the growth and development of Singapore's asset management industry and fund ecosystem.
- » Identify and address capabilities gaps by introducing new and relevant training for asset management professionals, with an initial focus on ESG/green funds.
- » Competency development and training for funds professionals in Singapore.

## Developing Future Capabilities in Singapore's Funds Industry

The global investing landscape is undergoing both rapid and significant change, and fund managers here must continually upskill and reskill their staff to remain competitive such that Singapore will continue to stay well-positioned as a leader in the funds space.

The SFIG comprises four working groups ("WGs"), one of which is the Capabilities and Training Working Group ("C&T WG"), the aim of which is upskilling professional standards and building deep capabilities for professionals across the industry; buy side, sell side and service providers, including both new and emerging areas such as green finance, ESG and digital solutions.

### Identifying Current Industry Gaps

It is imperative for fund managers to build capacity and capabilities across the entire fund ecosystem to address the rising trends of the industry, such as sustainable investments, as well as technology, innovation, and the governance of these asset classes.

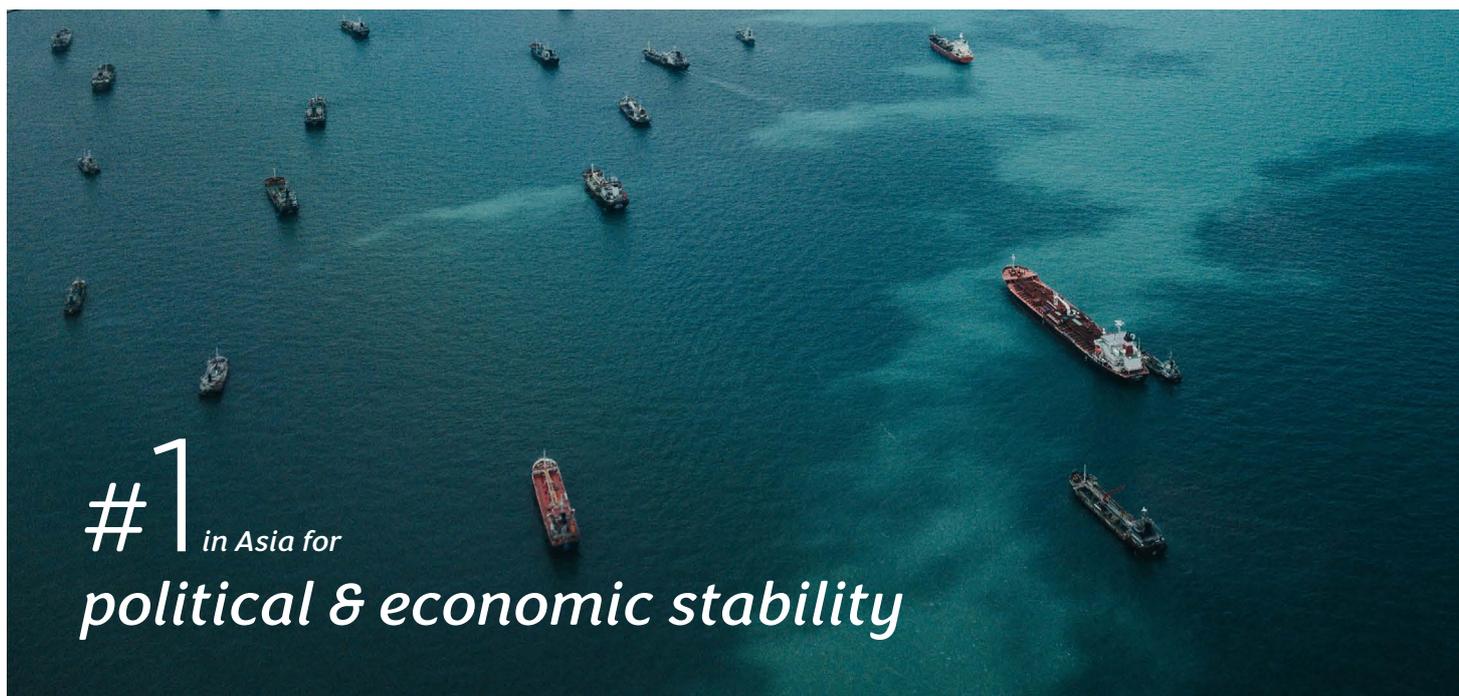
### Sustainable Investing and ESG

Over the last few years, the rapid rate of adoption of environmental, social, and corporate governance (ESG) has taken the investing world by storm, and Singapore based fund managers are working to adapt to it. The major industry Associations in Singapore, all key stakeholders in SFIG, have worked to educate, inform, and support their members in this important and growing area. The Alternative Investment Management Association ("AIMA") has run workshops focusing on the ESG Investing Landscape in Asia as well as launching an AIMA ESG Primer for Asset Managers in Asia. The Singapore Venture Capital & Private Capital Association ("SVCA") offers a Masterclass on Integrating ESG Into Venture Capital & Private Equity and has been running an annual ESG & Impact Conference since 2019 as well as webinars on Understanding & Applying ESG Performance Standards. The Singapore Fund Administrators Association ("SFAA") works with its members as they in turn support the asset management industry on ESG reporting to meet growing investor demand as well regulatory reporting requirements for fund managers. The Singapore Fund Directors Association ("SFDA") works to provide professional development for fund directors in relation to ESG investments and global best practice. The Investment Management Association Singapore ("IMAS") offers a range of training including a module – "Sustainable Investing & MAS Guidelines on Environmental Risk Management" – on their online portal, created with the support of the IMAS Environmental Risk Management Working Group.

### (continued)

Regulatory developments such as the Guidelines on Environmental Risk Management for Asset Managers issued in December 2020, has set out MAS' expectations on environmental risk management for all fund management companies and real estate investment trust managers, in Governance and strategy; Research and portfolio construction; Portfolio risk management; Stewardship and Disclosure of environmental risk information. The regulator also focuses on the potential financial and reputational impact of environmental risk on funds and asset managers. To support the industry's efforts to implement the EnRM Guidelines, industry associations, as strategic partners to the Green Finance Industry Taskforce ("GFIT"), co-sponsored the Handbook on Implementing Environmental Risk Management ("Handbook"), which offers guidance to banks, insurers, and asset managers on best practices in implementing environmental risk management practices. The various workstreams under GFIT address different areas including taxonomies which could drive investment decisions and capability enhancements for the financial industry.

IMAS'S 2023 Investment Managers' Outlook Survey, conducted in 2022 Q4, found that 62% of IMAS members believe that developing business lines around sustainable finance/ESG would be a key business differentiator. As greenwashing has emerged as a key regulatory concern, it is important for fund management firms to proactively manage this risk. The absence of standardized sustainability data and lack of familiarity with ESG terminology increases these risks. As such, the major industry associations, all key stakeholders in SFIG, have worked to educate, inform, and support their members to increase their capabilities and understanding in this important and growing area.





### Investment Themes

*IMAS has run ESG masterclasses, webinars, conferences & e-learning modules since 2019 to help members integrate ESG into their portfolios. It has recently launched the publicly available Sustainability Profiler to help investors understand their own ESG investment profile,*

*AIMA has run workshops focusing on the ESG Investing Landscape in Asia as well as launching an AIMA ESG Primer for Asset Managers in Asia*

*SVCA offers a Masterclass on Integrating ESG Into Venture Capital & Private Equity and has been running an ESG & Impact Conference since 2019 as well as webinars on Understanding & Applying ESG Performance Standards.*

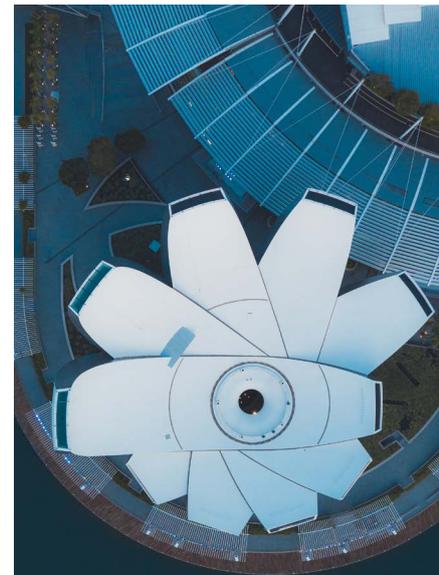
### ESG reporting/environmental risk management

*IMAS offers a range of e-learning modules including training on “Sustainable Investing & MAS Guidelines on Environmental Risk Management”; “Responsible Investments 101”, “Sustainable Finance across the Agri, Forestry & Fisheries supply chains” etc on their online portal*

*SFAA works with its members as they in turn support the asset management industry on ESG reporting to meet growing investor demand as well regulatory reporting requirements for fund managers*

### Professional Development

*SFDA works to provide professional development for fund directors in relation to ESG investments and best practice*



#1  
in South East Asia  
and #8 in the world for  
**global  
innovation**

(continued)

### Digitalisation and innovation

The COVID-19 pandemic underscored the importance of digitalisation for fund managers, as they faced a changing working environment reality that necessitated remote working with a subsequent change in the mindset of the global white collar workforce towards some form of “work at home” continuing despite the opening up of borders and reduced concerns over Covid. A study commissioned by the Institute of Banking and Finance Singapore (“IBF”) and the MAS found that many roles in asset management were identified as being highly impacted — with the potential for convergence or displacement. In addition, new technologies such as AI and machine learning are increasingly being incorporated into traditional investment analysis to make faster and more accurate decisions.

With the greater focus on green energy and the need for digital innovation, capacity building efforts in these sectors must be prioritised. However, commercial training providers in the market provide generic training that is not tailored to asset managers nor to an Asian audience. With an attempt towards addressing this gap, various industry associations have been providing ad-hoc training that is relevant to their members. However, this is insufficient to truly upskill the wider fund ecosystem to capitalise on the next wave of investing – there is a need for a concerted, national effort to provide consistent, high-quality training to the industry in these emerging areas.

### Centralised Education, Training & Events Web Page for the industry

To ensure easy and convenient access training and information, the C&T WG will work to aggregate training programmes offered by the different industry associations into a centralised page within the SFIG website. As the industry transforms, this will ensure players’ easy access to the relevant capability enhancement and training programs across the board.

Recently, the C&T WG carried out a detailed industry survey on the training requirements for ESG, Digitalisation and Fund Governance, some of the key results were:

- 56% of respondents expressed interest in training on Industry Sustainability Developments (e.g., ESG regulations)
- 60% of respondents were keen to be trained on Data Governance and Emerging technology synthesis (e.g., Blockchain) – 40
- 78% of the respondents were supportive of regulation and accreditation for fund directorships

### (continued)

From the findings of the C&T WG survey, it is clear that there is overwhelming support from respondents for structured training programs.

- 72% of respondents are supportive of a tiered learning certification program.
- 96% of respondents are supportive of a centralised website, backed by SFIG, for training courses. There was overwhelming feedback that a centralised, credible, web page to search for training would be very much welcomed.

The data points from the survey reaffirms the benefits of building a fund ecosystem, harnessing the strengths of the industry players and associations. C&T WG has shared the results of the survey with the various industry associations to encourage them to put in place relevant training roadmaps to help their respective members acquire the necessary skills they need to be prepared for the road ahead.

### Fund Governance

To better benchmark global best practices that will serve the industry's interests, and following requests from several associations within the financial services sector, the SFDA's latest set of Code of Conduct guidelines ("CoC") for Fund Directors released in August 2022 is a testament of innovation and enhancement of the ecosystem. A product of industry stakeholders from SFIG, the CoC establishes a set of core principles and best practices to promote professionalism, oversight and governance of funds among Singapore fund directors.

The CoC outlines ten key principles to facilitate decision-making and guidance for directors in their governance and fiduciary obligations. The CoC is a framework to structure industry-driven training and accreditation programmes that will better prepare fund directors to navigate the operational, regulatory and tax environment, and fulfil their governance obligations effectively,

Fund boards and the directors they comprise, have a fiduciary role not only in terms of compliance oversight, disclosure, and protection of investor interests but also in ESG-related investments and related written policies and procedures. With the explosion of "ESG Funds" directors are required to safeguard against Greenwashing. Regulators globally have been focusing on ESG investing for some time with the issued MAS Guidelines noted above expecting that disclosure should be in accordance with well-regarded international reporting frameworks, such as recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures, the recommendations of which provide a useful framework for the disclosure of climate-related risks.

With the successful take up of Variable Capital Companies ("VCC"), over 900 funds established at time of publication, the need to provide credible, institutional grade training for directors and the development of a deeper pool of knowledgeable & experienced directors in Singapore has become more pressing and the C&T WG is expected to play a leading role in the development and coordination of suitable training programs.

## WORKING GROUP OBJECTIVES

- » Promote and advocate to raise awareness of the value of Singapore as both a global asset management centre and as a global fund domiciliation hub by building and operating a website that offers all relevant information to asset owners, managers, and service providers, both those established in Singapore and those planning to establish a presence.
- » Effective dissemination of relevant documentation from within the Singapore Funds Industry Group (“SFIG”) and its membership, externally to academic, governmental or other bodies as well as asset owners and market participants capable of influencing the continued viability of Singapore.
- » Multi-year marketing, media plan and initiatives to advocate for SFIG globally, and work towards influencing decision makers as well as those considering Singapore as an option.

### Singapore Rising - Asia’s Onshore Fund Hub

“The whole is greater than the sum of the parts” -Teamwork, cooperation, and moving in the same direction towards a common goal defines both the philosophy and practise of the recently established Singapore Funds Industry Group (“SFIG”).

Looking back to three decades ago, when the Singapore asset management industry was emerging we subsequently saw the formation of industry associations, namely (i) the Singapore Venture & Private Capital Association (“SVCA”) in 1992, (ii) the Investment Management Association of Singapore (“IMAS”) in 1997, (iii) the Singapore chapter of the Alternative Investment Management Association (“AIMA”) in 2005, and (iv) the foundation of the Singapore Fund Administrators Association (“SFAA”) in 2007, as well as (v) the Singapore Fund Directors Association (“SFDA”) launched as recently as 2020, all representing interests of stakeholders in the asset management industry and contributed towards a meaningful and productive dialogue with the MAS.

This island-nation’s asset management industry has grown in double digits over the past decade and has attracted not only managers, but also asset owners – including insurers, pension plans, Family Offices (estimated at over 1,000 at time of publication) and sovereign wealth funds, demanding constant innovation and sophistication of the ecosystem and regulatory framework. As the asset management industry grows in breadth (in terms of product offerings and business models) and complexity given trends in climate change and digitalisation, a coordinated approach to ensure the sustainable development of Singapore as a leading Asia asset management and fund domiciliation centre was needed.

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This led to a public-private partnership between the MAS and the industry, resulting in the establishment of SFIG to plan and develop the next phase of growth in the asset management sector and to realise its vision to be a global-Asia centre that connects both international and regional capital with investment opportunities in the region and beyond. The inaugural SFIG Executive Committee includes the Chairperson of each the relevant associations noted above, with leading industry experts supporting the activities of respective working groups led by members of the Executive Committee.

**What makes Singapore an attractive destination?**

Singapore's strategic location in the heart of South-East Asia, acts as a doorway to the Asia-Pacific region. Its strong and transparent rule of law, friendly business environment, established infrastructure, the Government's focused approach through encouragement of sustainable finance, a fast growing Fintech sector and innovation, all provide and support a breeding ground for various industries to flourish.

Singapore's open-architecture and multi-cultural society welcome a diverse talent-pool that augments a skilled local workforce. As a testament of the progress Singapore has made over the years to become Asia's premier asset management centre and global fund domiciliation hub, Singapore is often ranked as one of the top countries for businesses to operate in. These rankings include; Political and economic stability (#1 Asia), Rule of Law (#1 Asia), Best business environment (#1 Asia, #2 World), Order & Security (#1 Asia), Competitive country (#1 World), IP protection (#1 Asia, #2 World) and Regulator enforcement (#3 World)\*.



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*So, where to from here?*

### Looking ahead

Tremendous growth in assets under management has been achieved; Singapore's fund industry AUM grew to S\$5.4 trillion (US\$4 trillion) in 2021 a 16% jump over the 2020 period. Similarly, despite challenges during the pandemic, global and regional managers have taken the opportunity to establish a presence in Singapore to access regional investment opportunities, resulting in the growth of the number of licensed, onshore asset managers to close to 1180 fund managers as of time of publication.

The launch of the Variable Capital Companies (VCC) framework in January 2020 saw strong initial traction with more than 900 launched to date and approx. 40% of all Singapore-based asset managers establishing at least one VCC to date. Keeping up the strong momentum in 2023 and beyond is key and expansive and supportive initiatives are in progress.

### SFIG's partnership with the industry

Further innovation and upgrading of the Variable Capital Company Act to VCC 2.0 based on industry feedback – this task is being led by the SFIG **Policy Working Group**, working in consultation with the industry and the MAS.

Enhancing competency through the expansion of training and certification of ESG, digitalisation and fund governance is being led by the SFIG **Capabilities & Training Working Group**.

In the case of digital enhancements, industry-wide proposals for a fund settlement utility have been validated with the industry, while a fund data platform is currently being conceptualised to enhance industry's operational productivity and efficiency – this is being spearheaded by the SFIG **Infrastructure & Innovation Working Group**.

The SFIG **Promotion and Advocacy Working Group** (“PAG”) has been tasked to raise awareness of Singapore's value proposition as both a global asset management centre and as a global fund domiciliation hub. In 2021, we launched a website <https://singaporefunds.sg/> as a comprehensive platform presenting consolidated, relevant information to all stakeholders considering an asset management related business in Singapore.



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This online resource serves as a first point of reference on all key information on the Singapore asset management industry and provides initial information critical for those exploring the opportunity Singapore presents to their business.

Along with the website platform, the PAG also launched the SFIG logo, a visual representation of SFIG's mission of collaboration and cooperation amongst the various industry stakeholders and partners. The design symbolizing forward and positive movement and the constant flow and the innovation Singapore has clearly shown and continues to demonstrate. The logo colours are Red from the Singapore flag, and the Green representing Singapore's commitment to ESG.

With the initial information infrastructure for stakeholders in place, and building advocacy of the SFIG working groups, PAG's evolving initiatives are raising awareness and increasing engagements with international participants.

This SFIG Journal, is an inaugural publication that provides a forum to communicate SFIG's mission, and current projects, as well as providing a platform for dialogue and input from stakeholders and the broader ecosystem.

PAG has in production; interviews, roundtables and webinar events engaging the broader ecosystem. Post pandemic, PAG organised SFIG's first roadshow to New York in March 2023 with the theme "Singapore Rising - Asia's Onshore Fund Hub". The Singapore delegation included officials from the Monetary Authority of Singapore and industry stalwarts (representing managers, legal, tax, fund administration and independent fund directors). The roadshow was a tremendous success, where SFIG met with major GP's and Managers representing close to 1 Trillion in AUM and held three successful events. PAG continues to work on a series of regional and global roadshows to promote Singapore's vibrant asset management industry.

It was Patterson DuBois in 1890, who first wrote specifically about the whole being greater than the sum of the parts. Whilst SFIG cannot be compared to the Beatles or the Rolling Stones, the similarity is in that like those global superstar groups, when working collaboratively in a combined effort that encompasses the strengths and abilities of all their members, they were, over time, an unstoppable force, in their case to spread the message of rock and roll, in ours to collectively develop and promote the asset management industry in Singapore, and in that lies the value of SFIG.

\*Source: World Justice Project Rule, World Bank, Global Innovation Index 2019, Network Readiness Index 2019

PAG works closely with the SFIG Secretariat on external communications. Please contact us at [info@singaporefunds.sg](mailto:info@singaporefunds.sg).



# SINGAPORE FUNDS

## Singapore Funds Industry Group



Promoting and developing Singapore as the world's leading full-service asset management center and fund domiciliation hub



Partnership between the MAS and Singapore's asset management industry



**Website** <https://singaporefunds.sg>

**Contact** [info@singaporefunds.sg](mailto:info@singaporefunds.sg)

## About the SFIG Journal

The SFIG Journal is produced by the Singapore Fund Industry Group (SFIG) as a means to promote understanding about the vibrant and growing asset management industry and fund domiciliation in Singapore. It is automatically available to all members of the stakeholders of SFIG – the Singapore chapter of the Alternative Investment Management Association (AIMA), the Investment Management Association of Singapore (IMAS), the Singapore Venture Capital & Private Equity Association (SVCA), the Singapore Fund Administrators Association (SFAA), the Singapore Fund Directors Association (SFDA) and the MAS and is available to qualified parties who contact us at [info@singaporefunds.sg](mailto:info@singaporefunds.sg).

Articles are written by industry practitioners, all typically members of the core stakeholders. The SFIG Journal is a digital magazine and can be viewed at <https://singaporefunds.sg>.

## Submitting an article

We will only consider articles from member companies of the SFIG stakeholders and/or a select group of qualified counterparties. Such companies may only submit one article per edition, and no more than two articles per year.

## Deadline for submission

To allow all articles to be reviewed and avoid delays on the preparation of the SFIG Journal, any deadline extensions should be discussed prior to the deadline. Articles may be edited for brevity and clarity.

## Editorial guidelines

We ask that articles meet the following criteria:

- Articles should be relevant to Singapore, the asset management industry, fund domiciliation and related topics and provide guidance or thought leadership;
- Articles in the SFIG Journal should not compare jurisdictions, overtly or implicitly;
- Articles should avoid referring to particular funds / accounts / companies / clients or products;
- Where possible, articles should appear in the SFIG Journal before appearing elsewhere;
- Articles should be no less than 1,000 words and no more than 1,500 words in length;
- Depending on the topic, names of individuals or companies may be removed;
- Inclusion of charts/graphs are welcome, though please discuss this with the editors if you wish to include more than two;
- Charts/graphs should be supplied as high-resolution JPEG.

SFIG will publish the author's name, job title and photo and the company name. In case of multiple authors, SFIG will publish up to 3 headshots. Short disclaimers also may be included under certain circumstances. Authors may include their email address and company website. We do not, however, include the author's biographical information, nor do we publish company boilerplates.

Please note, we can only include up to a maximum of 6 articles in each edition of the SFIG Journal, on a first-come-first-served basis. To secure your spot, please make sure to email [info@singaporefunds.sg](mailto:info@singaporefunds.sg) well before the submission deadline.

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