



## Outsourced Compliance, Accounting, & Technology

Trusted. Transformational. Together.

### Singapore

#### Regulatory Updates Relating to Funds and Single-Family Offices (SFOs)

It was announced in the Singapore Budget 2025 that tax incentives will be introduced to get more companies and fund managers to list on the Singapore Exchange (SGX). These fund managers will receive a concessionary tax rate of 5 percent on their qualifying income, provided either they or their holding company gets a primary listing on SGX and remains listed for five years. The fund manager must also distribute a portion of its profits as dividends, and meet the requirements for minimum professional headcount and assets under management.

There will also be a tax exemption for fund managers that invest substantially in Singapore-listed equities. New funds will be required to have at least 30 per cent of their assets under management invested in Singapore-listed equities to get the tax exemption on their qualifying income. Existing funds will also need to meet the same requirement, in addition to having annual net inflows that are equivalent to at least 5 percent of the fund's assets under management in the preceding year.

In relation to SFOs, the Monetary Authority of Singapore (MAS) announced in November last year (Straits Times dated 18 Nov 2024) that it will step up incentives and requirements to encourage SFOs to contribute more to environmental and social causes as well as jobs in Singapore.

Going forward, SFOs that apply for the tax incentive will need to hire at least one investment professional who is not a family member. Incentives will also

be adjusted to deploy their capital more meaningfully to benefit Singapore and the region.

MAS will encourage SFOs to invest in blended finance structures, including those that support the region's transition to net zero. It will broaden the scope of eligible investments to include blended finance structures in which financial institutions in Singapore have been substantially involved. These structures combine public funds with private sector participation.

MAS will introduce measures to get SFOs to invest more in Singapore companies and workers. All new SFO applicants will also need to meet their business spending requirement solely from spending locally, unlike previously when they could do so overseas. SFOs applying for tax incentives are required to incur a business spending of \$200,000 to \$1 million, depending on the size of their funds.

MAS will also take additional measures to combat money laundering in the SFO sector, which is identified as a key risk when it comes to wealth inflows into Singapore. It will require all SFOs to notify MAS when they commence operations and also annually; and maintain a business relationship with an MAS-regulated financial institution that would perform anti-money laundering checks on these offices.

### **Accounting Update: International Financial Reporting Standard (IFRS) 18 Presentation and Disclosure in Financial Statements**

IFRS 18 replaces International Accounting Standard (IAS 1), incorporating amendments over the years to enhance the presentation and disclosure requirements in financial statements. This change reflects the ongoing efforts to improve financial reporting and address the needs of the financial statement users.

IFRS 18 impacts financial statement users by enhancing the transparency, comparability, and clarity of financial information. It provides a structured framework for presenting financial performance, making it easier for users to understand and analyse the financial health of companies. The standard's emphasis on management-defined performance measures (MPM) and aggregation principles further enriches the information available to users, supporting better decision-making and assessment.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

#### **A. Main changes are in the income statement**

IFRS 18 introduces a more structured approach to presenting the Company's financial performance. It requires the Company to classify items of income and expense into the following five categories: operating, investing, financing, income taxes, and discontinued operations. This classification of income and expenses in the profit or loss statement aligns with the categories in the cash flow statement (as per the requirements of IAS 7 Statement of Cash Flows), enhancing the consistency and comparability of financial information.

IFRS 18 also introduces two new defined subtotals in the income statement: operating profit; and profit before financing and income taxes. This provides a clearer picture of the Company's core operating performance and separates it from financing and tax effects, improving the comparability of the financial performance of companies for the financial statements' users.

#### **B. Disclosures on management-defined performance measures**

IFRS 18 requires companies to disclose information on MPM. MPMs are, alternative/non-GAAP performance measures, subtotals of income and expenses used in public communications outside financial statements to communicate management's view of an aspect of the financial performance of the company as a whole. These MPMs are presented alongside IFRS-defined measures, to enhance the users' understanding of how these MPMs compare against the IFRS-defined measures, allowing increased transparency on the MPMs. This helps users to understand how management views the Company's financial health, offering an overview, and provides insights into the key metrics used by management to assess the Company's financial performance.

### C. Appropriate aggregation and disaggregation

IFRS 18 provides below guidance for aggregation and disaggregation of information disclosed in financial statements (whether to disclose in primary financial statements or notes).

- Aggregate items that share characteristics, and disaggregate items that have different characteristics;
- Group items in a way that does not obscure material information or reduce the understandability of the information presented; and
- Place items in the primary financial statements and the notes to fulfil their complementary roles

The Company's primary financial statements should offer a structured summary of its assets, liabilities, equity, income, expenses, and cash flows. The notes to the financial statements should provide supplementary material information.

IFRS 18 mandates that companies present operating expenses in a manner that offers the most useful summary, either by their nature or function (a mix-and-match approach is permitted). Additionally, the Company must classify expenses to provide the most useful information to users, such as line items that highlight the drivers of profitability and those that reflect how the Company is managed and reported internally.



#### **Dbriefs**

A series of live, on-demand and interactive webcasts focusing on topical tax issues for business executives.



#### **Tax@hand**

Latest global and regional tax news, information, and resources.

[Get in touch](#)



#### **Deloitte Southeast Asia**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

© 2025 Deloitte Southeast Asia Ltd.