



PORTCULLIS NOTICES

MCI (P) 030/07/2022

25 May 2023

THE SINGAPORE SLING AND HK FAMILY OFFICES

I have been promoting the use of the Singapore company for 39 years. Now the choice is obvious. To re-domicile a company to Singapore is difficult. The use of a Singapore non-resident company which carries on business as a branch in Hong Kong as the Family-owned Investment Holding Vehicle (FIHV) is what I call: 'The Singapore Sling'.

The HK Inland Revenue Department has published:

[IRD : Tax Concessions for Family-owned Investment Holding Vehicles.](#)

The Monetary Authority of Singapore (MAS) approval of family offices in Singapore for tax exemption under Sections 130 & 13U of the Singapore Income Tax Act has become lengthy because of its success.

Tax exemption for HK family offices avoids a lengthy process. For impatient families, going to HK first as an interim (or final destination), may be the solution. Why a Singapore Sling? Section 2 of the Income Tax Act (Cap. 134) defines a company which is 'resident in Singapore' as 'a company... the control and management of whose business is exercised in Singapore'. Section 10(1) of the ITA provides that income tax shall be payable on the income 'accruing or derived from Singapore [territorial basis] or received in Singapore from outside Singapore [remittance basis]'. Therefore, a Singapore non-resident company (SNRC) can pay 'tax free' dividends to shareholders out of profits which have not borne corporate tax in Singapore (e.g., foreign-source income not remitted to Singapore). The branch in HK has tax exemption as an FIHV.

The impatient family can still apply for Section 13U exemption by eventually collapsing the branch in HK when MAS grants approval. HK does not allow the re-domiciliation of companies. The Singapore Sling obviates the use of offshore companies, which some families are averse to.

Yours sincerely,

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