

Funds & Investment Management

Variable Capital Companies Grant Scheme Extended for Another Two Years Until 15 January 2025

The Monetary Authority of Singapore ("**MAS**") and the Accounting and Corporate Regulatory Authority ("**ACRA**") first launched the Variable Capital Companies Grant Scheme ("**VCCGS**") on 15 January 2020 as part of the overall incentive to encourage the adoption of variable capital companies as investment fund structures in Singapore. The VCCGS had an original validity period of three years that ended on 15 January 2023.

To encourage the continued adoption of the variable capital company ("**VCC**") as Singapore domiciled investment funds, and to provide further financial support in the setting up of new VCCs, MAS announced on 13 January 2023 that it would extend the validity period of the VCCGS for two years from 16 January 2023 to 15 January 2025 (both dates inclusive) ("**Extended VCCGS**").

Under the Extended VCCGS, funding is available on a co-funding basis of 30% for qualifying expenses which is paid to Singapore-based service providers for qualifying work performed in Singapore in relation to the incorporation or registration of a new VCC. Qualifying expenses include legal services, tax services and administration or regulatory compliance services. The funding is limited to a cap of 30% of qualifying expenses subject to the maximum absolute amount of grant of S\$30,000 per VCC.

To be eligible for funding under the Extended VCCGS, the applicant must be a Qualifying Fund Manager that has:

- (a) incorporated a VCC or successfully re-domiciled a foreign corporate entity to Singapore as a VCC for the first time; and
- (b) obtained a Notice of Incorporation or Notice of Transfer of Registration from ACRA (as the case may be) which specifies a date between 16 January 2023 and 15 January 2025 (both dates inclusive).

A "Qualifying Fund Manager" refers to a licensed fund manager under the Securities and Futures Act 2001 ("SFA"); a registered fund management company; or relevant exempt financial institution that is exempted from holding a capital markets service licence to carry on business in fund management under the SFA.

The Extended VCCGSS also provides for the fulfilment of other qualifying conditions, including the requirement that the new VCC must not receive simultaneous funding from other government grants/incentives for the same set of qualifying costs and commitments.



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The VCC is also subject to a minimum operational period of at least one year from the date of incorporation or registration as specified on the Notice of Incorporation or Notice of Transfer of Registration issued by ACRA (as the case may be) ("**Registration Date**"). If the VCC is wound up within the first year from the Registration Date, the Qualifying Fund Manager must promptly inform MAS within one week from the date of the winding up, and MAS reserves the right to claw back the grant awarded.

For details of eligibility and funding criteria, please refer to the [Extended VCCGS Factsheet](#). To apply, applicants may write to VCC-FSDF@mas.gov.sg to obtain the application form.

Click on the following link for more information:

- [MAS Media Release titled "Extended Variable Capital Companies Grant Scheme"](#) (available on the MAS website at www.mas.gov.sg)

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