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JOINT MEDIA RELEASE

MAS and ACRA Launch Variable Capital Companies Framework

Singapore, 15 January 2020... The Monetary Authority of Singapore (MAS) and the Accounting and Corporate Regulatory Authority (ACRA) launched the Variable Capital Companies (VCC) framework today. The VCC is a new corporate structure that can be used for a wide range of investment funds and provides fund managers greater operational flexibility and cost savings¹. It will encourage more funds to be domiciled in Singapore and enhance our value as an international fund management centre.

2. Fund managers will be able to constitute investment funds as VCCs across both traditional and alternative strategies, and as open-ended or closed-end funds². Fund managers³ may also incorporate new VCCs or re-domicile their existing investment funds with comparable structures by transferring their registration to Singapore as VCCs. This can be done via ACRA's online application form at www.vcc.bizfile.gov.sg

Inaugural Launch of 20 Investment Funds as VCCs

3. A group of 18 fund managers participated in a VCC Pilot Programme that was initiated by MAS and ACRA in September last year. All of these fund managers have today incorporated or re-domiciled a total of 20 investment funds as VCCs. These investment funds comprise venture capital, private equity, hedge fund and Environmental, Social, and Governance (ESG) strategies, demonstrating the viability of the VCC framework across diverse use cases. The list of fund managers that participated in the VCC Pilot Programme is set out in the Annex.

VCC Grant Scheme to Accelerate Industry Adoption

4. To further encourage industry adoption of the VCC framework in Singapore, MAS has also launched a Variable Capital Companies Grant Scheme. The grant scheme will help defray

¹ Fund managers will have greater flexibility in share issuance/redemption and the payment of dividends. Managers will also be able to incorporate multiple funds in a single VCC and achieve cost efficiencies.

² An open-ended fund allows investors to redeem investments at their discretion, while a closed-end fund does not permit investors to do so.

³ A VCC must appoint a fund manager that is regulated by MAS to manage its investments. For further details on the eligibility of fund managers to manage a VCC, please refer to the Explanatory Brief on the Variable Capital Companies Bill on 10 September 2018, available on the [MAS website](http://www.mas.gov.sg).

costs involved in incorporating or registering a VCC by co-funding up to 70% of eligible expenses paid to Singapore-based service providers. The grant is capped at S\$150,000 for each application, with a maximum of three VCCs per fund manager.

5. The grant scheme will be funded by the Financial Sector Development Fund (FSDF) and take effect today for a period of up to three years. Interested applicants can write to fsdf@mas.gov.sg for more information.

6. Mr Benny Chey, Assistant Managing Director (Development and International), MAS said, "The VCC marks a significant chapter in the development of Singapore as a full-service international fund management and domiciliation hub. The VCC framework provides fund managers with a greater choice of investment fund vehicles in Singapore that caters to the needs of global investment funds and investors. Fund managers will also be able to extract cost savings from centralising their fund management and domiciliation activities in Singapore and structuring their funds more efficiently. The VCC framework also creates new opportunities for Singapore-based fund service providers such as legal and tax advisors, accountants, fund administrators and fund custodians, as we expect more fund managers to use the VCC to structure their investment funds."

7. Mr Andy Sim, Assistant Chief Executive (Legal Services & Compliance), ACRA said, "The fund managers' response for VCC applications in the VCC Pilot Programme is heartening. The diverse spread of fund managers and the use of VCC across different fund strategies demonstrate the use of VCC as a viable investment fund structure."

Additional Information

About the Financial Sector Development Fund (FSDF)

The FSDF was established in 1999 under the Monetary Authority of Singapore Act for the following purposes:

- a) to promote Singapore as a financial centre;
- b) to develop and upgrade skills and expertise required by the financial services sector;
- c) to develop and support educational and research institutions, research and development; and
- d) to develop infrastructure to support the financial services sector in Singapore.

About the Monetary Authority of Singapore

The Monetary Authority of Singapore (MAS) is Singapore's central bank and integrated financial regulator. As central bank, MAS promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore's exchange rate, official foreign reserves, and liquidity in the banking sector. As an integrated financial supervisor, MAS fosters a sound financial services sector through its prudential oversight of all financial institutions in Singapore – banks, insurers, capital market intermediaries, financial advisors, and stock exchanges. It is also responsible for well-functioning financial markets, sound conduct, and investor education.

MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. It facilitates the development of infrastructure, adoption of technology, and upgrading of skills in the financial industry.

About the Accounting and Corporate Regulatory Authority

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. We promote a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

For more information, please visit: www.acra.gov.sg.

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Annex

Fund managers that participated in the Pilot Programme:

1. Aggregate Asset Management
2. Arborvitae Capital
3. Assetfort Capital
4. Chartered Asset Management
5. CSOP Asset Management
6. DCG Capital
7. Gordian Capital Singapore
8. Heliconia Capital Management
9. Kamet Capital Partners
10. Meilun Asset Management
11. Mindful Wealth
12. Noviscient
13. Raffles Family Office
14. SOFOS Capital Management
15. Tembusu Partners
16. Ternary Fund Management
17. UTI International (Singapore)
18. Yozma Singapore