



COMPARISON CHART - FUND STRUCTURES IN SINGAPORE

	Limited Partnership	Private Company Limited by Shares (Company)	Variable Capital Company (VCC)
Owner(s) of the business	<ul style="list-style-type: none"> • Partners • Minimum: 2 – 1 general partner and at least 1 limited partner (which can be both natural and legal persons) • No maximum 	<ul style="list-style-type: none"> • Shareholders own shares in company • Minimum: 1 • Maximum: 50 	<ul style="list-style-type: none"> • Shareholders • Minimum: 1 • No maximum
Legal status	<ul style="list-style-type: none"> • No separate legal personality • Cannot hold property in its own name 	<ul style="list-style-type: none"> • Separate legal entity • Can hold property in its own name • Rights and obligations are separate from those of its shareholders and directors 	<ul style="list-style-type: none"> • Separate legal entity • Can hold property in its own name • Rights and obligations are separate from those of its shareholders and directors • Sub-fund of an umbrella VCC is not a legal person separate from the umbrella VCC but nevertheless, the umbrella VCC may sue or be sued in respect of a sub-fund as if each sub-fund were a legal person and the property of a sub-fund is treated in law as if the sub-fund were a separate legal person



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Main governing legislation	<ul style="list-style-type: none"> Limited Partnerships Act 2008 	<ul style="list-style-type: none"> Companies Act 1967 	<ul style="list-style-type: none"> Variable Capital Companies Act 2018
Responsibility for day-to-day management of business	<ul style="list-style-type: none"> General partner(s) 	<ul style="list-style-type: none"> Board of directors Minimum of one director who may or may not also be the shareholder 	<ul style="list-style-type: none"> Board of directors VCC must have at least one director. If VCC comprises at least one authorised scheme (i.e., scheme authorised by MAS and units in the scheme may be offered to the public), the VCC must have at least three directors (including one independent director) VCC must have a manager to manage its property or operate the Collective Investment Scheme (CIS) or schemes that comprise the VCC Manager must be a Singapore-based asset manager licensed, registered or exempted by MAS so VCC cannot have a foreign asset manager (although asset



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			managers based in Singapore can manage foreign investment funds)
Returns & types of interests that a partner/ shareholder would hold	<ul style="list-style-type: none"> • Partners collectively own partnership's property, giving a partner the right to: <ul style="list-style-type: none"> - Distribution of partnership's profits in accordance with terms of partnership agreement - Distribution of partnership property in accordance with terms of partnership agreement upon dissolution of partnership 	<ul style="list-style-type: none"> • Shares in the Company, giving shareholder right to: <ul style="list-style-type: none"> - Vote at shareholder meetings - Receive dividends (if declared) from Company's profits - Receive distribution of proceeds of Company's assets upon winding up 	<ul style="list-style-type: none"> • Shares in the VCC, entitling shareholder to such rights as may be specified in the VCC's constitution, such as right to participate in or receive payments from the VCC's property (or a sub-fund of an umbrella VCC)
Liability for debts, obligations, liabilities, etc.	<ul style="list-style-type: none"> • General partner(s) fully liable (jointly and severally if more than one) • Limited partner(s) liable up to agreed contribution 	<ul style="list-style-type: none"> • Company liable • If company unable to pay debts, members liable for amount (if any) unpaid on shares • Liabilities of company are to be met out of the company's property 	<ul style="list-style-type: none"> • An obligation of the VCC is solely the obligation of the VCC, and an obligation of a sub-fund is solely the obligation of the sub-fund • Shareholder liability to contribute to VCC's liabilities or a sub-fund of the VCC is limited to the amount, if any, unpaid on his shares



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			<ul style="list-style-type: none"> • VCC's liabilities are to be met out of the VCC's property • Liabilities of sub-fund are to be met out of the sub-fund's property and not the VCC's property or that of another sub-fund
Minimum capital requirements	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Minimum: 1 share • Shares have no par value and the value of the share is the agreed price of issue 	<ul style="list-style-type: none"> • Minimum: 1 share • Shares have no par value and the value of the paid-up capital of the VCC is at all times equal to the net asset value of the VCC
Continuity in law	<ul style="list-style-type: none"> • Continues in perpetuity unless dissolved by agreement of general partner(s) or in accordance with terms of partnership agreement • Also dissolved upon death or bankruptcy of any general partner 	<ul style="list-style-type: none"> • Perpetual succession until wound up in accordance with the Companies Act 	<ul style="list-style-type: none"> • Perpetual succession until wound up in accordance with the VCC Act 2018 • Each sub-fund continues to exist unless it, or the umbrella VCC, is wound up • Sub-fund in a VCC may be wound up without affecting the continuing existence of the umbrella VCC or other sub-funds in the umbrella VCC



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Taxation	<ul style="list-style-type: none"> No tax paid by partnership – each partner pays personal tax on share of profits (tax transparent) 	<ul style="list-style-type: none"> Prevailing corporate tax rate on profits Shareholders do not pay tax on dividends (single-tier tax regime) 	<ul style="list-style-type: none"> Prevailing corporate tax rates on profits Shareholders do not pay tax on dividends (single-tier tax regime) VCC treated as company and single entity for tax filing purposes (i.e. only one set of income tax returns required to be filed with IRAS) Chargeable income or exempt income of umbrella VCC is the total of that of each of its sub funds, as if each sub-fund were a VCC
Applicability of capital maintenance rules	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> No (unlike companies, share capital can be varied without the directors being required to make solvency statements etc and dividends may be paid out of capital)
Can be treated as a single	Yes, if structure is: <ul style="list-style-type: none"> - Accredited investor; - CIS whose units are subject of an offer/ invitation only to accredited investors; or 		



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“qualified investor”? ¹	- Closed-end fund whose units are subject to an offer/ invitation only to accredited investors		

Note: The information in this publication is intended to provide a brief overview of the investment fund structures in Singapore. It is not intended to provide legal advice as to Singapore law on the subject matter.

¹ If a structure is treated as a single qualified investor under the Securities and Futures (Licensing and Conduct of Business) Regulations, then a Registered Fund Management Company is not obliged to treat each of the underlying partners, shareholders, members, or unit holders as a single qualified investor when complying with the requirement to undertake fund management activity on behalf of not more than 30 qualified investors.