

MEMO# 31898

August 13, 2019

Monetary Authority of Singapore (MAS) Issues Consultation on the Proposed Framework for Variable Capital Companies - Part 3

[31898]

August 13, 2019 TO: ICI Global Members

ICI Global Pacific Chapter

ICI Global Regulated Funds Committee SUBJECTS: International/Global

Operations RE: Monetary Authority of Singapore (MAS) Issues Consultation on the Proposed Framework for Variable Capital Companies - Part 3

On 24 July 2019, the Monetary Authority of Singapore (MAS) issued a Consultation Paper on the Proposed Framework for Variable Capital Companies Part 3 (CP3)[\[1\]](#). The Variable Capital Company (VCC) regime was first introduced in Singapore on 1 October 2018. The VCC regime provides an additional structuring option for Singapore-based fund managers to domicile their investment funds locally, in addition to the existing structures, namely unit trusts, companies incorporated under the Companies Act (CA), and limited partnerships governed under the Limited Partnerships Act. CP3 is the third part of the consultation process this year in connection with the VCC framework, following the earlier consultations on the subsidiary legislation relating to the operational framework for a VCC (including its sub-funds where relevant) and the [Proposed Notice on Prevention of Money Laundering and Countering the Financing of Terrorism for Variable Capital Companies](#), both issued on 30 April 2019.[\[2\]](#)

CP3 covers the proposed subsidiary legislation relating to the insolvency and winding up of a VCC and its sub-funds. The proposed subsidiary legislation is adapted from the existing subsidiary legislation for the insolvency and winding up of a company under the Companies Act, Chapter 50 of Singapore, and the Bankruptcy Act, Chapter 20 of Singapore, with modifications for a VCC and its sub-funds. The insolvency and winding up regime for a VCC and its sub-funds is intended to align with that of the insolvency and winding up regime for other corporate structures in Singapore under the Insolvency, Restructuring and Dissolution Act 2018 (IRDA).[\[3\]](#)

The MAS will accept written comments to CP3 until 24 August 2019. ICI Global is not inclined to comment on the consultation. If you have particular concerns, please contact

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endnotes

[1] The Consultation Paper on the Proposed Framework for Variable Capital Companies Part 3, released on 24 July 2019, is available at: <https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Consultation-Papers/24-Jul-2019-Consultation-Paper-on-the-Proposed-Framework-for-Variable-Capital-Companies-Part-3/Consultation-Paper-on-the-Proposed-Framework-for-Variable-Capital-Companies-Part-3-final.pdf>

[2] See ICI Global Memorandum No. 31761, Monetary Authority of Singapore (MAS) Issues Further Consultation on the Variable Capital Companies (VCC) Regime, dated 16 May 2019, available at: <https://www.iciglobal.org/iciglobal/pubs/memos/memo31761>

[3] The IRDA has been passed by Parliament but has not yet come into effect at the time of issuance of CP3.