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## Family Office Scheme surpasses targets within a year



#### Diversify & deepen capital base in Malaysia

- Aimed at attracting management of family wealth which would **widen the investor pool as an alternative source to invest** in the various opportunities in particular the **various national agenda** NIMP, NETR & JS SEZ.
- Through mandatory local investments & expenditure, SFO scheme is expected to generate greater employment opportunities and positive effect to the greater economy. FO establishments are also projected between 2025-2044 to bring a net gain of between RM 3.4 billion to RM 9.4 billion, which would raise the ceiling and position Malaysia as a competitive investment destination

50+

#### **Consultations Held**

Family reps
Family Advisors
Service providers (Big4, fund managers, lawyers)

30

**Expression of interest received** 

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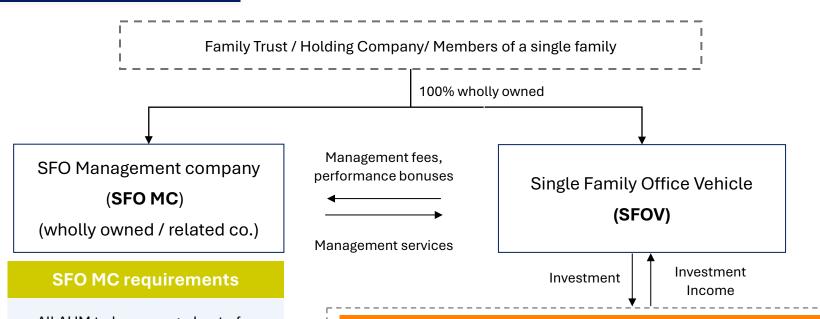
**Conditional Approvals Issued** 

Indicative AUM from 6 Approvals RM 400 mil.

End of Year AUM Target for 2026 RM 2.0 bil.

## Facilitative tax incentive scheme – gazetted on 3 Oct 2025





- All AUM to be managed out of Malaysia by SFO MC and SFOV
- Although investment for the 90% of the AUM can be overseas, it must be managed with or by related co and can be delegated to fund managers licensed by SC

#### **Permitted Assets**

#### For the first 10 years:

- Minimum AUM of RM30 million
- Composition to include local and promoted investment of RM10 million or 10% of AUM whichever lower

### Conditions for subsequent 10 year exemption

- 1. Minimum AUM of RM50 million
- 2. Local and promoted investment of RM10 million or 10% of AUM, whichever higher
- 3. Minimum 4 FTEs
- 4. Annual local expenditure of min RM650k

## **Tax incentives**Application period: 2024 - 2034

- 0% Concessionary Tax Rate (includes CGT & FSI) 10 years + 10 years extension
- One Off Stamp Duty Exemption
  Asset transfers into SFOV
- One Off CGT Exemption
  Unlisted share transfers into SFOV

#### **Substance Requirements**

Physical Office in Pulau 1, Forest City SFZ

min 450 square feet

- Minimum 2 FTEs where:
  - At least 1 Investment Professional, and
  - ii. At least 1 Director/FTE
- Local operating expenditure
  Min. RM500k annual

## Managing global wealth from Malaysia



## AUM of RM30 million, composition of the AUM can be invested in Malaysia or abroad

- Shares that are listed on any exchange
- Bank deposits in foreign or local currencies
- Bonds notes, commercial papers and treasury bills
- Forexinstruments

- Islamic capital market products
- Future contracts
- Private companies in Malaysia (excluding SPV holding property only)
- Local and global collective Investment Scheme
- Real estate holdings limited to Forest City
- Global Venture
  Capital and Private
  Equity funds
- Derivatives that are listed/quoted on a stock exchange, or dealt in OTC market -structured products
- Portfolio management by SC licensed FM

10% or RM10 million of the total AUM, whichever is lower, must comprise of local investments

#### **Eligible Local Investments**

- 1. Listed securities on Bursa Malaysia
- 2. Islamic capital market products in Malaysia
- 3. Ringgit-denominated debentures and Malaysia Government Securities (MGS)
- 4. Exchange traded derivatives on Bursa Malaysia Derivatives
- 5. Private Equity (PE) and Venture Capital (VC) funds by SC registered VC & PE managers
- 6. Portfolio management, where underlying is 70% in Malaysia, offered by SC licensed FMs
- 7. Shares of tech and SRI companies incorporated in Malaysia

#### **Promoted Investments**

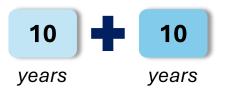
#### These investments will count as 1.5x multiple towards the local AUM requirements

- 1. Sustainability funds, bonds and sukuk that align with Malaysia or ASEAN standards for underlying Malaysian projects
- 2. Waqf featured framework funds
- 3. ECF & P2P campaigns on SC registered Recognised Market Operators (RMOs)
- 4. Shares of companies approved by MIDA under the JS-SEZ Tax Incentive Package.
- 5. Shares of companies that align with the NIMP prioritized sectors.

## **Conducive ecosystem with dedicated visa**



- Fast Track Resident Pass Talent (FT-RPT) is the visa pathway under the SFO Scheme. This would serve for both family members and full-time foreign professionals working in the family office
- At minimum 3 FT-RPT can be shared between family members and expats working in family office and families may request more on a case-by-case basis



Residency of 10 years & renewable for another 10 years



Grants rights to start a business, pursue further study and employment in Malaysia, with privileges extended for spouse and children under 18





Dependents over 18 years old, parents and parents-in-law are eligible for a renewable one-year Social Visit Pass for up to five years



# Thank You