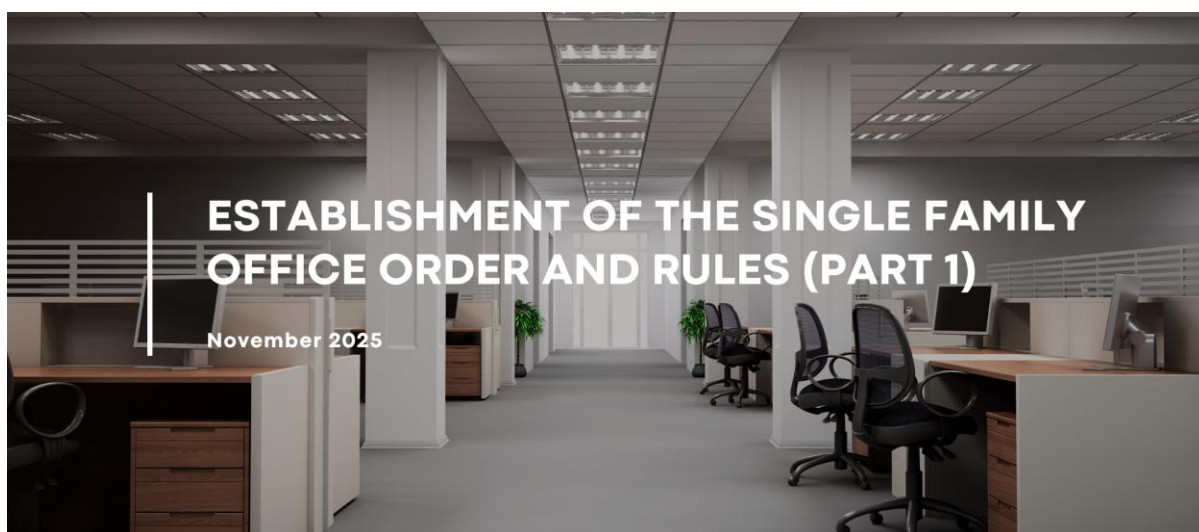




On 3 October 2025, with strong governmental backing and sustained momentum, the Ministry of Finance has successfully gazetted orders and rules in relation to the Income Tax (Single Family Office Incentive Scheme) (Pulau 1 of Forest City Special Financial Zone) Rules 2025¹ (collectively referred to as the “Single Family Office Order and Rules”). To date, there are 11 subsidiary legislation which have been gazetted as follows:

- a. Income Tax (Single Family Office Incentive Scheme) (Pulau 1 of Forest City Special Financial Zone) Rules 2025 (“**P.U.(A) 350/2025**”)²;
- b. Income Tax (Single Family Office Incentive Scheme) (Pulau 1 of Forest City Special Financial Zone) (Exemption) Order 2025 (“**P.U.(A) 351/2025**”)³;
- c. Stamp Duty (Single Family Fund Company) (Pulau 1 of Forest City Special Financial Zone) (Exemption) Order 2025 (“**P.U.(A) 352/2025**”)⁴;
- d. Stamp Duty (Instrument of Loan or Financing Agreement in relation to Individual) (Pulau 1 of Forest City Special Financial Zone) (Remission) Order 2025 (“**P.U.(A) 353/2025**”)⁵;
- e. Stamp Duty (Instrument of Transfer in relation to Individual) (Pulau 1 of Forest City Special Financial Zone) (Remission) Order 2025 (“**P.U.(A) 354/2025**”)⁶;
- f. Stamp Duty (Instrument of Loan or Financing Agreement in relation to Qualifying Person) (Pulau 1 of Forest City Special Financial Zone) (Remission) Order 2025 (“**P.U.(A) 355/2025**”)⁷;
- g. Stamp Duty (Instrument of Transfer in relation to Qualifying Person) (Pulau 1 of Forest City Special Financial Zone) (Remission) Order 2025 (“**P.U.(A) 356/2025**”)⁸;

¹ [Malaysia Gazettes Single Family Office \(SFO\) Rules - Media Releases | Securities Commission Malaysia](#) dated 6 October 2025

² [P.U. \(A\) 350 2025.pdf](#)

³ [PUA 351 2025.pdf](#)

⁴ [P.U. \(A\) 352 2025.pdf](#)

⁵ [PUA 353 2025.pdf](#)

⁶ [P.U. \(A\) 354 2025.pdf](#)

⁷ [P.U. \(A\) 355 2025.pdf](#)

⁸ [PUA 356 2025.pdf](#)

- h. Income Tax (Income of Non-resident Person) (Pulau 1 of Forest City Special Financial Zone) (Exemption) Order 2025 (“**P.U.(A) 357/2025**”)⁹;
- i. Real Property Gains Tax (Pulau 1 of Forest City Special Financial Zone) (Exemption) Order 2025 (“**P.U.(A) 358/2025**”)¹⁰;
- j. Income Tax (Industrial Building Allowance) (Pulau 1 of Forest City Special Financial Zone) Rules 2025 (“**P.U.(A) 359/2025**”)¹¹; and
- k. Income Tax (Deduction of Cost for Relocation of Business) (Pulau 1 of Forest City Special Financial Zone) Rules 2025 (“**P.U.(A) 360/2025**”)¹².

The Gazette highlights the Malaysian Government's firm commitment to enhancing Malaysia's family office and asset owner ecosystem. It also offers families and their advisers greater policy clarity and assurance to support their structuring decision.

Historically, high-net-worth families have preferred to establish their generational wealth management structures in well-established tax-exempt jurisdictions. However, Malaysia is now strategically positioned to compete with these jurisdictions by introducing targeted tax incentives and stamp duty exemptions designed to attract both Malaysian and foreign families to set up their family offices within the Forest City Special Financial Zone.

So far, the Securities Commission (“**SC**”) has to date, granted Conditional Approval to six families, representing an indicative assets under management (“**AUM**”) of nearly RM400 million — a figure that has far exceeded initial expectations¹³.

Part I - Single Family Office Incentive Scheme (“Scheme”)

Families intending to establish a family office under the **Scheme** must incorporate **two Malaysian companies**¹⁴:

1. a **Single Family Office Vehicle (“SFOV”)**
2. a **Single Family Office Management Company (“SFO MC”)**
 - (a) All AUM to be managed out of Malaysia by SFO MC and SFOV
 - (b) Although investment for the 90% of the AUM can be overseas, it must be managed with or by a related company and can be delegated to fund managers licensed by the SC

⁹ [PUA 357_2025.pdf](#)

¹⁰ [P.U. \(A\) 358_2025.pdf](#)

¹¹ [PUA 359_2025.pdf](#)

¹² [P.U. \(A\) 360_2025.pdf](#)

¹³ [Malaysia Gazettes Single Family Office \(SFO\) Rules - Media Releases | Securities Commission Malaysia](#)

¹⁴ <https://www.sc.com.my/api/documentms/download.ashx?id=06aecaaf-fb52-45c3-b1b8-cd222878959c>

Both entities must be **wholly owned, directly or indirectly, by one or more individuals** who are members of a **single family**. The SFOV exists solely to hold the family's assets and investments, whereas the SFO MC is established to manage those assets and investments¹⁵. The SFO MC is not required to operate in Pulau 1.

A. Meaning of Single Family

A "single family" refers to individuals who are **lineal descendants of a single ancestor** which includes the following¹⁶:

- (a) a spouse;
- (b) a children, meaning:
 - i. biological children,
 - ii. stepchildren of a member of the single-family or
 - iii. a child adopted by a member of the single-family in accordance with the relevant law.

B. Meaning of Pulau 1, Forest City Special Financial Zone

"Pulau 1 of Forest City Special Financial Zone" means Pulau 1, Forest City situated in the Mukim of Tanjung Kupang, District of Johor Bahru, Johore as shown in the Gazette Plan PW50276 deposited in the Office of the Director of Survey and Mapping, Johore¹⁷.

C. Meaning of "Single Family Fund Company"

A "single family fund company" means a company incorporated under the Companies Act 2016 and resident in Malaysia which¹⁸—

- (a) is wholly owned, directly or indirectly, by a member of a single family;
- (b) operates in Pulau 1 of Forest City Special Financial Zone; and
- (c) is established solely for the purpose of holding the asset and investment activity for the interest of members of a single family.

D. Conditions for Single Family Office Incentive Scheme / Qualifying Criteria

1. A qualifying company may apply for the Single Family Office Scheme to the Minister through the Securities Commission from 1 September 2024 to 31 December 2034¹⁹.

¹⁵ Frequently Asked Questions, Single Family Office (SFO) Incentive Scheme by the Securities Commission: [Frequently Asked Questions](#)

¹⁶ Rule 2 of P.U.(A) 350/2025; Rule 2 of P.U.(A) 351/2025; Rule 2 of P.U.(A) 352/2025; Rule 2 of P.U.(A) 355/2025; Rule 2 of P.U.(A) 356/2025; Rule 2 of P.U.(A) 357/2025; Rule 3 of Section 2 of P.U.(A) 359/2025

¹⁷ Rule 2 of P.U.(A) 350/2025; Rule 2 of P.U.(A) 351/2025; Rule 2 of P.U.(A) 352/2025; Rule 2 of P.U.(A) 353/2025; Rule 2 of P.U.(A) 354/2025; Rule 2 of P.U.(A) 355/2025; Rule 2 of P.U.(A) 356/2025; Rule 2 of P.U.(A) 357/2025; Rule 2 of P.U.(A) 358/2025; Rule 2 of P.U.(A) 359/2025

¹⁸ Rule 2 of P.U.(A) 351/2025; Rule 2(3) of P.U.(A) 357/2025

¹⁹ Rule 5(1) of P.U.(A) 350/2025

2. A qualifying company is a single family fund company which—²⁰:
 - (a) is incorporated under the Companies Act 2016 and resident in Malaysia;
 - (b) is wholly, directly or indirectly, by members of a single family;
 - (c) operates in Pulau 1 of the Forest City Special Financial Zone; and
 - (d) is established solely for the purpose of holding assets and investments for the benefit of the family.

3. A qualifying company is not a qualifying company under the P.U.(A) 350/2025 if in the specified years of assessment referred to in rule 7 of P.U.(A) 350/2025²¹—
 - (a) a claim has been made for investment allowances for service sector under **Schedule 7B of the Income Tax Act 1967**;
 - (b) any incentive has been granted under the **Promotion of Investments Act 1986**;
 - (c) an exemption has been granted under **paragraph 127(3)(b)** or **subsection 127(3A)** of the Income Tax Act 1967;
 - (d) an incentive scheme has been approved by the Minister under any rules made **Section 154** of the Income Tax Act 1967; or
 - (e) a claim has been made for deductions under rules made pursuant to **section 154** of the Income Tax Act 1967 except:
 - (i) rules in relation to allowance under **Schedule 3** of the Income Tax Act;
 - (ii) deductions under the **Income Tax (Deduction for Audit Expenditure) Rules 2006**; or
 - (iii) deductions under the **Income Tax (Deduction for Secretarial Fee and Tax Filing Fee) Rules 2020**.

4. A qualifying activity is an activity undertaken by a qualifying company as follows²²:
 - (a) holding of assets by the qualifying company for the interest of the single family (i.e. SFOV); and
 - (b) investment activity for the interest of the single family including buying or selling of assets and trading of capital market products (i.e. SFO MC).

5. Upon obtaining SC approval for the Scheme, an **approved company** shall comply with conditions imposed by the **Minister** which shall include the following conditions²³:
 - (a) **First 10-Year Assessment Period:** For each year for the first period of ten years of assessment, the approved company shall obtain a certification from the Securities Commission that the approved company—

²⁰ Rule 3(1) of P.U.(A) 350/2025

²¹ Rule 3(2) of P.U.(A) 350/2025

²² Rule 4 of P.U.(A) 350/2025

²³ Rule 6 of P.U.(A) 350/2025

- (i) Has employed **at least two full-time employees**, whom one of the employees is a **professional investor** earning a **minimum salary of RM10,000 monthly**;
 - (ii) has **not utilised bank deposits** for local investment;
 - (iii) at the end of the year of assessment:
 - (A) has incurred an annual **local operating expenditure of at least RM500,000 annually**;
 - (B) has assets under its management of not **less than RM30 million**; and
 - (C) in relation to a local investment, has made an investment of not less than **RM10 million or 10% of AUM**, whichever is lower; and
 - (iv) has not carried **on any other business in Malaysia**.
- (b) **Subsequent 10-Year Assessment Period:** For each year for the following period of ten years of assessment, the approved company shall obtain a certification from the SC that the approved company at the end of the year of assessment
- (i) has assets of **AUM of not less than RM50 million**;
 - (ii) in relation to **local investment**, has made an investment of not less than **RM10 million or 10% of AUM**, whichever is higher;
 - (iii) has employed **at least four full-time employees**; and
 - (iv) has incurred an **annual local operating expenditure** of not less than **RM650,000**.
- (c) The approved company shall comply with the **conditions** provided for under **section 65B of the Income Tax Act 1967** and **SC-issued guidelines**.

Further information

Should you have any questions on the implications of this Act or how this development may affect you or your business, please get in touch with:

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