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Venture Capital in Singapore: The Way Forward

5 JOURNAL OF BUSINESS LAW, 363-387 (2019)

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57 Stefanie Yuen Thio, *Chapter 24: Singapore*, in Paul Dickson ed., *THE ASSET MANAGEMENT REVIEW 397*, 5th ed. (Law Business Research, 2016).

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59 *Id.*

60 *Id.*

61 Capital maintenance rules mean that a company must not take any steps that in effect return capital to its shareholders unless profits have been made.

62 Companies Act (Ch.50) s.403(1).

63 The satisfaction of solvency requirements under the Companies Act (Ch.50) is stated in s.76F(1) for share buybacks and s.78B(1)(b) and

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68 *Id.*

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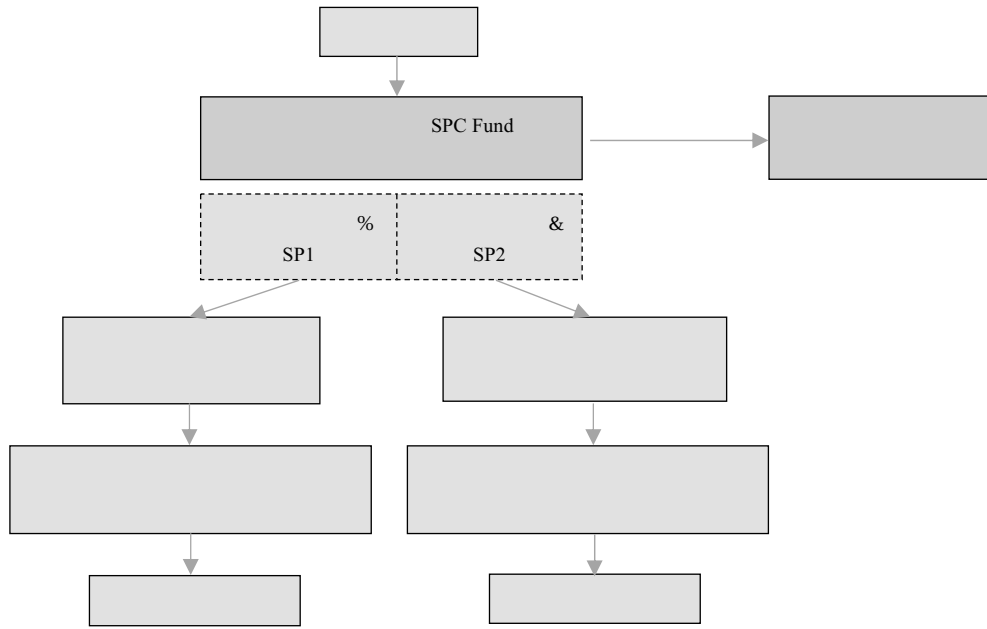
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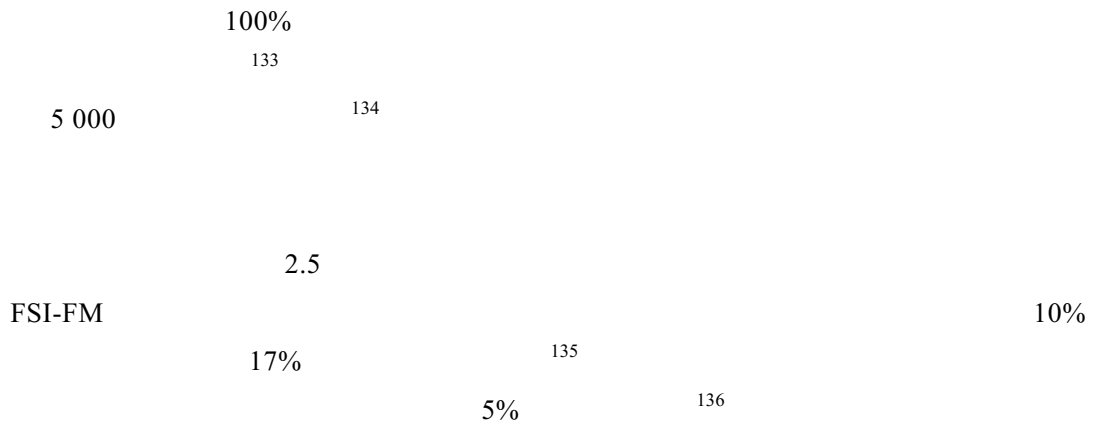
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<sup>158</sup> Listing Manual of Singapore Exchange, r.406(2)(a); *Catalist Rules*, [http://rulebook.sgx.com/en/display/display\\_viewall.html?rbid=3271&element\\_id=3305&print=1](http://rulebook.sgx.com/en/display/display_viewall.html?rbid=3271&element_id=3305&print=1) (last visited May 23, 2019).

<sup>159</sup> *Supra* note <sup>137</sup> at 26–29.

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<sup>161</sup> From its listing price of 30 cents in 2016, the share price of Trendlines Group dropped to 11 cents as of 21 September 2018.

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173 Interviews conducted by the author with founders of a few technology start-ups in Singapore (anonymity required) (17 May, 2019, Singapore).

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### LIN Lin

This article critically examines the existing regulatory framework governing venture capital in Singapore. It discusses the problems within the legal structures and tax policies, and examines recent law reforms that aim to encourage fund managers to re-domicile their venture capital funds in Singapore, such as the introduction of the variable capital company and the simplified authorisation process for venture capital fund managers. This article proposes several reforms that will continue to improve the regulatory environment for venture capital in Singapore, such as introducing more liberal tax policies; modifying the limited partnership structure and extending the dual-class share structure to the Catalist board.

Venture Capital; Singapore; Fund Manager; Variable Capital Company;  
Dual-class Share Structure