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Wealth management updates

Global Investor Programme and residency in Singapore



Singapore has been rated as one of the best countries to live, work and raise a family. With a strong economy, stable political environment, low crime-rates, low corruption, world-class education system and strategic geographical location, it poses as an ideal country for individuals and families to relocate to or gain a form of residency in.

The preferred route to gain permanent residency ("PR") in Singapore would be through the Global Investor Programme ("GIP") while the other route would be the Professional/ Technical Personnel & Skilled Worker scheme ("PTS Scheme"). This article aims to provide an overview of both schemes and will also further explore the amendments made to the Global Investor Programme ("GIP").

Professional/ Technical Personnel & Skilled Worker Scheme

The PTS Scheme applies to foreign professionals who are working in Singapore at the time of application for PR. The key requirement would be that such applicant will have to hold an existing Employment Pass, EntrePass or Personalised Employment Pass at the point of application. Other factors such as age, employment history, educational certifications and qualifications, salary and overall financial status, duration of stay and employment in Singapore, contributions to the Singapore community etc. are taken into consideration.

It is also generally recommended that a work pass holder waits for at least twelve months after starting employment in Singapore before applying for PR.

Global Investor Programme

On 1 March 2020, the revamped Global Investor Programme took effect. The GIP offers PR status to HNWI to re-locate to Singapore or at least move part of the business to the island. The revamped GIP boasts broadened profiles for eligible applicants but introduced more stringent eligibility criteria.

(a) Broadened qualifying profiles but more stringent criteria

As a starting point, eligible applicants may qualify for the GIP if they fall under one of the four profiles:

1. Established business owners (*BROADENED*)	2. Next-generation business owners (*NEW*)
<p>Previously the only profile available under the GIP, the minimum average annual turnover requirements for established business owners with existing businesses has increased from SG\$50 million to SG\$200 million. If you intend to apply as an established business owner, you would have to:</p> <ul style="list-style-type: none"> • meet existing minimum shareholding requirements; • have a proven business and entrepreneurial track record; and • ensure your business is engaged in one of the industries specified in Appendix A. <p>Notably, the GIP accords some flexibility to applicants and you may consolidate up to 2 of your businesses engaged in any of the industries listed in Appendix A below to meet the minimum revenue criteria.</p>	<p>To qualify under this new profile:</p> <ul style="list-style-type: none"> • your company must fall within a list of specified industries in Appendix A; • your immediate family is either the largest shareholder or holds at least 30% shareholding in the company; • your company's minimum average annual turnover is at least SG\$500 million; and • you must be part of the management team of such company.
3. Founders of fast-growth companies (*NEW*)	4. Family office principals (*REVISED*)
<p>To qualify under this new profile:</p> <ul style="list-style-type: none"> • you have to be a founder and one of the largest individual shareholders of a company that falls within a list of specified industries in Appendix A; • have a valuation of at least SG\$500 million; and • your company must be invested into by reputable venture capital and private equity firms. 	<p>To qualify under this new profile:</p> <ul style="list-style-type: none"> • you have to possess some form of entrepreneurial, investment or management track record; and • have net investible assets (excluding real estate) of at least SG\$200 million. <p>Notably, if you intend to qualify as a Family Office Principal, you are only permitted to use a new investment option C. We elaborate below.</p>

(b) Revised investment option C

Previously, there were only 2 publicly known investment options available to GIP applicants - options A and B. The 2020 changes to the GIP now formalised an option C with revised requirements. The options and their corresponding requirements are summarised in the following table:

Option A	Invest SG\$2.5 million in a new business entity or in the expansion of a new business operation (collectively, " Option A company "). <ul style="list-style-type: none"> • Submission of a 5-year business or investment plan • Possess at least 30% shareholding in the Option A company and must be part of the management team • Option A company must be engaged in one of the industries in Appendix A
Option B	Invest SG\$2.5 million in a fund under the GIP which invests predominantly in Singapore-based firms
NEW: Option C	Invest SG\$2.5 million in a new or existing Singapore-based single family office having assets-under-management of at least SG\$200 million. <ul style="list-style-type: none"> • Submission of a 5-year business plan with projected employment and annual financial projections

How we can help

Our team is multidisciplinary and we have ample experience in providing advice to international clients on employment and regulatory matters that have a strong cross-border element. Among other things, we can assist you and your company in the set-up of family offices and obtaining the tax incentive, providing comprehensive wealth and succession planning solutions, applying for the GIP by helping you assess your optimal GIP profile and preparing the necessary documentation for your application. We also have experience advising clients on bespoke structuring solutions and available grants that meet their business needs.

Appendix A: Approved industries

- Aerospace engineering
- Alternative energy/clean technology
- Arts businesses
- Automotive
- Chemicals
- Consumer business
- Electronics
- Energy
- Engineering Services
- Family office and financial services
- Healthcare
- Infocomm products and services
- Logistics and supply chain Management
- Marine and offshore engineering
- Media and entertainment
- Medical technology
- Nanotechnology
- Natural resources
- Pharmaceuticals and biotechnology
- Precision engineering
- Professional services (e.g. consulting, design)
- Safety and security
- Shipping
- Space
- Sports businesses

Singapore law advice was written by members of Virtus Law LLP (a member of the Stephenson Harwood (Singapore) Alliance). For more information, please do not hesitate to contact any of the team at Stephenson Harwood (Singapore) Alliance. We remain committed to assisting our clients during this challenging period.

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