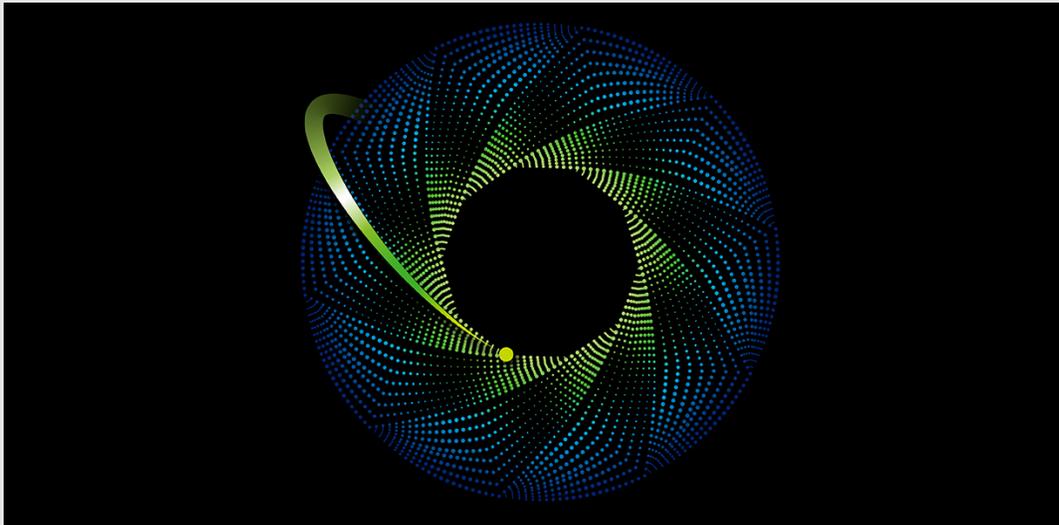


Singapore | Tax & Legal | 31 August 2022



## Mobility, Payroll & Immigration Trusted. Transformational. Together.

Greetings from your Tax & Legal team at Deloitte Singapore.

We are pleased to update you on the following:

### Singapore introduces four targeted enhancements to work pass framework

#### Overview

An Overseas Networks & Expertise Pass was created to allow high-earners and high-achievers to exercise additional benefits such as living in Singapore without having to secure a job first. Applications will open from January 2023.

Enhancements to the current work pass framework include reducing the Fair Consideration Framework (FCF) job advertising duration from 28 days to 14 days with effect from September 2022. Further enhancements will be rolled out from September 2023 including:

- updating a new benchmark pegged to the top 10% of Employment Pass (EP) holders for FCF job advertising and Complementarity Assessment Framework (COMPASS) exemption, and
- option for a 5-year (EP).

#### Key points

#### Introduction of Overseas Networks & Expertise Pass

- The Overseas Networks & Expertise Pass is meant for talent from any sector who earns a monthly salary of S\$30,000 and above, or have 'outstanding achievements' in the areas of science and technology, arts and culture, research and academia, or sports.
- Under the salary criterion, applicants must prove that they have earned a fixed monthly salary of at least S\$30,000 in the last year or show that they will earn that minimum amount under their future employer in Singapore.
- Overseas candidates will also need to show that they have worked or will be working for an established company – defined as one with a market capitalisation of at least US\$500 million or an annual revenue of at least US\$200 million—either in their overseas role at the point of application, or future role based in Singapore.
- Applications for the Overseas Networks & Expertise Pass will open from 1 January 2023.

#### **Reducing the FCF job advertising duration from 28 days to 14 days**

- The Ministry of Manpower (MOM) will restore the FCF job advertising duration to 14 days with effect from 1 September 2022 to allow companies to move with greater speed and certainty when it comes to hiring.
- With recent technological upgrades to MOM's work pass systems, EP applications will be processed, or an update will be given to employers within 10 business days. This will be implemented with immediate effect.

#### **Updating a new benchmark pegged to the top 10% of EP holders for FCF job advertising and COMPASS exemption**

- From 1 September 2023, the salary threshold for exemption from the FCF job advertising requirement and the points-based COMPASS, as well as the salary criterion for the Personalised Employment Pass (PEP), will be aligned to a single benchmark set at S\$22,500.
- Today, individuals earning more than S\$20,000 monthly are granted exemptions from the FCF job advertising requirement and upcoming COMPASS.
- Existing EP holders earning at least S\$12,000 monthly and overseas candidates earning at least S\$18,000 monthly are eligible for the PEP.

#### **Option for a 5-year Employment Pass (EP)**

- MOM will offer the option of a five-year EP to those with specific tech occupations on the COMPASS Shortage Occupation List from 1 September 2023.
- In line with their experience, these individuals will need to meet a higher salary criterion of at least S\$10,500 monthly. They should also pass COMPASS and score at least 10 points on the Diversity criterion.
- COMPASS is a points-based framework that evaluates EP applicants based on a set of four foundational individual and firm-related attributes, such as the applicant's salary relative to local norms and whether the candidate improves the nationality diversity in the firm.

- Applications earn points if they meet or exceed expectations based on these attributes. 40 points are required to pass COMPASS, which will apply to new applicants from 1 September 2023.

### Additional information

- As a personalised pass, the new Overseas Networks & Expertise Pass will not be contingent upon the applicant having a job in Singapore, unlike ordinary EPs. The work pass holder can thus start, operate and work for multiple companies in Singapore at any one time.
- This is similar to an existing PEP that allows a foreigner to change employers without re-applying for an EP, and stay in Singapore for up to six months while looking for employment.
- But the Overseas Networks & Expertise Pass will have greater flexibility, as there is no condition that the pass holder has six months to look for work. They can also sponsor their dependents to join them in Singapore and their spouses can work with a letter of consent. Other work passes have stricter criteria for spouses to work here.
- Compared to existing work passes, the Overseas Networks & Expertise Pass is valid for a longer period—five years—compared with two years for the EP (new applicants) and three years for the PEP.

### Deloitte Singapore's view

These changes are very welcome as they will enable companies to be more responsive to business needs which will improve the experience and timelines for new hires and transfers.

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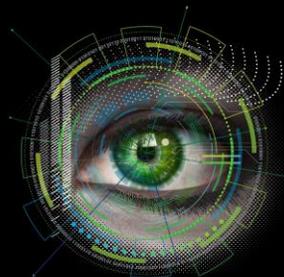
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