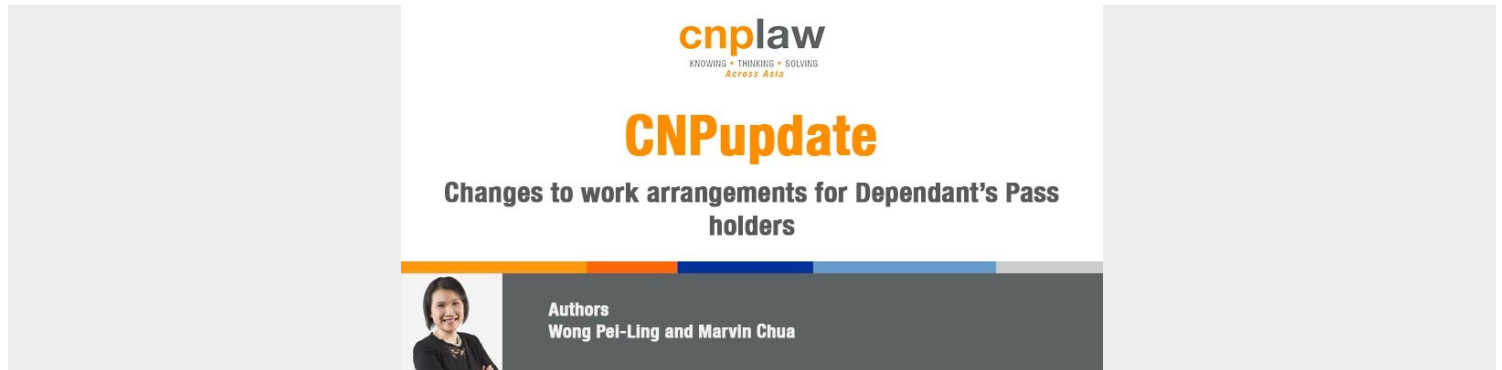


CHANGES TO WORK ARRANGEMENTS FOR DEPENDANT'S PASS HOLDERS

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The Ministry of Manpower (“**MOM**”) announced on 3 March 2021 that for the purposes of aligning the requirements that will allow Dependant’s Pass (“**DP**”) holders to work in Singapore with the requirements that other foreigners have to satisfy in order to work in Singapore, and consistency with the updates made to the work pass framework in Singapore, with effect from 1 May 2021, DP holders who wish to work in Singapore will need to obtain work passes from MOM (instead of the current letters of consent (“**LOC**”)). The exception to this will be if they are business owners who meet the prescribed criteria.

A. Overview of the DP regime

Foreigners working in Singapore may apply to bring their legally married spouse or unmarried children under 21 years old to live with them in Singapore under a DP, if they are holders of an Employment Pass (“**EP**”), Personalised Employment Pass (“**PEP**”), S Pass or EntrePass, meet the minimum qualifying salary criteria or requirements for minimum business spending and creation of local jobs, and are sponsored by an established, Singapore-registered company, which is usually their employer. The following are some of the requirements that must be satisfied before a DP is issued:

- Foreigners working in Singapore under an EP, PEP or S Pass are required to earn a fixed monthly salary of at least S\$6,000.
- Foreigners working in Singapore under an EntrePass must show that their total annual business spending is at least S\$100,000 and they must employ at least 3 LQS (i.e. Singaporeans or Permanent Residents who earn at least S\$1,400 per month and have received Central Provident Fund (“**CPF**”) contributions for at least 3 months) or 1 local PME (i.e. professionals, managers and executives who

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are Singaporeans or Permanent Residents, earn at least S\$3,900 per month and have received CPF contributions for at least 3 months).

However, family members of an EP holder will not be eligible for a DP if the EP holder had applied for an EP as an overseas intra-corporate transferee under the World Trade Organisation's General Agreement on Trade in Services or an applicable Free Trade Agreement ("**FTA**") that Singapore is party to, unless they are specifically covered under an applicable FTA and meet the above criteria.

B. Existing DP holders with LOC

Existing DP holders who are working in Singapore on a LOC and their employers are given some time to transit to the new work arrangements for DP holders and it is expected that:

- Existing DP holders with a LOC will be allowed to continue working in Singapore under their existing LOC until the expiry of the LOC. Employers will thereafter be required to apply for an applicable work pass (e.g. EP, S Pass or Work Permit) for the DP holders if they wish to continue with the employment of the affected DP holders following expiry of their LOC, and the relevant eligibility criteria (e.g. qualifying salary, dependency ratio ceiling and levies) for the respective work passes will apply.
- DP holders who are business holders may continue to operate their business under the existing LOC until the expiry of the LOC. They may also apply for a one-off extension of their existing LOC up until 30 April 2022 at the time of renewal of their DP. After 30 April 2022, DP holders who are business holders will be required to meet the prescribed criteria to further renew their existing LOC (as set out below) or obtain an applicable work pass to continue working in Singapore.

In addition to the above, DP holders are required to cancel their DP once they have successfully obtained an EP or S Pass. For DP holders who have successfully obtained a Work Permit, the validity period of the Work Permit will be tied to the validity period of the DP.

C. DP holders who are business owners

A DP holder who is a business owner may continue to operate his/her business with a LOC if the business creates local employment. The DP holder is required to fulfil all of the following requirements to be eligible for a new LOC or to renew an existing LOC:

- The DP holder is a sole proprietor, partner or company director with at least 30% shareholding in the business; and
- The business hires at least 1 LQS (i.e. Singaporean or Permanent Resident who earns at least S\$1,400 per month and have received CPF contributions for at least 3 months).

D. Conclusion

The above changes to the work arrangements for DP holders are unlikely to impact the majority of the

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foreigners who are already working in Singapore. MOM has reported that DP holders who are working in Singapore on a LOC constitute only about 1% of all work pass holders. In addition, the changes would be in line with the increasing emphasis on fair hiring for all foreign employees, and allowing more opportunities for the local talent pool. For instance, employers who wish to employ a DP holder will now be required to comply with, *inter alia*, the Fair Consideration Framework job advertising requirements when applying for an EP or S Pass for the DP holder, which was previously not required if the DP holder had a Letter of Consent to work in Singapore. In this regard, the changes can be seen to be fair, and are part of MOM's efforts to promote fair hiring practices in Singapore.

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