EASING THE CRITERIA FOR THE ENTREPASS SCHEME

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The EntrePass is a form of work pass that allows eligible foreign entrepreneurs to set up and operate a new business in Singapore. In a bid to attract foreign entrepreneurs to the local start-up scene, plans are in the works to revise and ease the eligibility criteria of the EntrePass scheme.

Introduction

It is widely known that foreigners are required to have a valid work pass (sometimes referred to as a work visa) in order to be able to work in Singapore. One of such work passes is the EntrePass, which is targeted at eligible foreign entrepreneurs who wish to set up and operate new businesses in Singapore.

In a bid to attract foreign entrepreneurs to the local start-up scene, Minister of State for Trade and Industry, Dr Koh Poh Koon, announced in Parliament on 3 March 2017 plans to revise and ease the eligibility criteria of the EntrePass scheme. Quite apart from presenting competition to local start-ups, the Minister highlighted that the ‘cross-fertilisation of ideas’ between local and foreign start-ups can be advantageous, for instance when new partnerships are formed and consequently, new jobs are created.

Changes

Under the proposed revisions to the EntrePass Scheme, the existing entry and renewal criteria will be eased. Three key changes outlined are as follows:

- First, the present requirement for applicants to have a paid-up capital of at least S$50,000 in their start-ups will be removed.
- Secondly, the evaluation criteria will also be broadened for global start-up founders with an established track record, and is said to include ‘outstanding achievements in key areas of expertise and good track records of investing in, and contributing to, growth of successful businesses’.
- Thirdly, the validity period of each EntrePass renewal after the first renewal will be extended from the present length of one year to two years.

Conclusion

The first and second key changes outlined above, if implemented, would undoubtedly pave the way for more foreign entrepreneurs to set up their business in Singapore at an earlier stage. The prerequisite of a minimum paid-up capital presents a barrier to entry for intended start-ups having issues with funding; in the process, Singapore risks missing out on entrepreneurs with good ideas and the potential to flourish.

The third key change could assist businesses which, either due to the nature of their industries or their particular circumstances, take a longer time to mature and establish themselves. An example of such businesses would be tech start-ups due to the likely involvement of intensive research and development, especially at their infancy.

Whilst plans have yet to be set in stone at this juncture, based on the proposed revisions to the EntrePass scheme, the move would appear to be one that diverges from rising protectionism trends across the globe and may position Singapore as an attractive place for talented business entrepreneurs to start their businesses.