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**Singapore – Hiring of Foreigners Gets Scrutiny, Better Opportunities for Singaporeans**

by KPMG Services Pte Ltd, Singapore (KPMG in Singapore is a KPMG International member firm)

## flash Alert

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To strengthen the Singaporean core of Professionals, Managers and Executives (PMEs) working in Singapore, the Ministry of Manpower (MOM) has introduced stricter requirements for firms hiring highly-skilled foreigners.<sup>1</sup> Also, the qualifying salary for S pass and EP holders to sponsor dependants will be increased.

Overall, the measures announced are aimed at enhancing employment and career opportunities for Singaporean PMEs. Moreover, the quality assessment of foreign PME applicants will be reinforced, and the coverage of dispute resolution for Singaporean PMEs will be expanded.

### Why This Matters

Singaporean-based employers may face greater difficulties hiring foreign workers in light of the new policies.

Employers should be aware that the Ministry of Manpower will be more closely scrutinizing their hiring policies and practices where Employment Pass applications are made for purposes of hiring employees for particular positions.

### Strengthening the Singaporean Core of PMEs

1. Introduced on 1 August 2014, the Fair Consideration Framework<sup>2</sup> (FCF) requires firms to advertise job vacancies on the Jobs Bank administered by the Singapore Workforce Development Agency (WDA) for at least 14 calendar days before submitting new Employment Pass (EP) applications, unless the exemption criteria are met. Only when employers are unable to find a suitable Singaporean candidate, can they hire a foreigner on an EP.

To enhance the FCF, the following measures were announced:

- a. Starting on 1 October 2015, firms will be required to publish the salary range of the job vacancy in the Jobs Bank. Applications for EP will be rejected if the job advertisement did not state a salary. This will make the job terms clearer to Singaporean job seekers and improve labor market transparency.
- b. EP applications submitted by firms which have a weaker Singaporean core of PMEs relative to others in their industry will be subject to increased scrutiny by the MOM. These employers will be required by the MOM to submit more information to check whether Singaporeans were considered fairly. This may include information on the number of applications submitted by Singaporeans, whether Singaporeans were interviewed for the vacancy, and the firm's current share of Singaporeans in PME

positions at various levels.

2. For EP applications, foreign PME are assessed based on a combination of qualifications, experience, and salary.

To enhance the quality assessment of foreign applicants of PME jobs, the MOM will refine work pass controls to help improve the selection of such candidates. The intent of the MOM is to complement Singaporean PMEs with foreign PMEs of suitable quality and experience.

MOM will reject work pass applications that contain doubtful qualifications such as those from “degree mills.”<sup>3</sup> Applicants with forged qualifications will be banned from working in Singapore for life.

When assessing the EP and S passes applications, MOM will place greater emphasis on the relevant work experience of the applicants, especially for those applying for professional occupations. It is the intention of the MOM to progressively encourage and facilitate the transfer of expertise to Singaporean PMEs over time.

### **Changes to Qualifying Salary Criteria to Sponsor Dependants**

Effective on 1 September 2015, the qualifying salary for S pass and EP holders to sponsor dependants will be increased<sup>4</sup>:

- S pass and EP holders need to meet the minimum fixed monthly salary of S\$5,000 to sponsor the stay of their spouses/children on Dependant’s Pass (DP). This is increased from the current fixed monthly salary of S\$4,000.
- S pass and EP holders need to meet a minimum fixed monthly salary of S\$10,000 to sponsor the stay of their parents on Long Term Visit Pass (LTVP). This is increased from the current fixed monthly salary of S\$8,000.

New DP applications for the spouse/children and LTVP applications for parents received before 1 September 2015, will be assessed on pre-1 September 2015 criteria. To reduce disruption to families already here, renewal DPs/ LTVPs approved or issued before 1 September 2015, will also be based on pre-1 September 2015 criteria provided the S pass and EP holders remain with the same employer. The above changes do not apply to the dependant’s privileges accorded to EntrePass and Personalised Employment Pass holders.

#### **KPMG Note**

Closer scrutiny by the MOM under the new guidelines will give reason for companies to be more careful in the process of hiring foreigners. The requirement that firms must publish the salary range when advertising on the WDA’s Jobs Bank Web site is aimed at making firms consider Singaporeans fairly for a job.

Firms applying for EPs should be ready to provide the reasons for hiring foreigners to the MOM when requested.

It is advisable that firms consider changing their recruitment process in such a way as to

### KPMG Note (cont'd)

incorporate verification of the educational qualifications of foreign candidates with a view to fostering full compliance with the guidelines noted above. This may prevent unnecessary scrutiny from the MOM if firms are found to have submitted applications of employees with doubtful qualifications.

With the increase in qualifying salary for S pass and EP holders to sponsor dependants, firms may need to restructure the compensation package of potential foreign employees in order for them to bring family members to Singapore.

#### Footnotes:

- 1 For full details on the enhanced support for PMEs by the MOM, click [here](#).
- 2 For the KPMG Immigration Alert "Additional Information on Fair Consideration Framework," see: <https://www.kpmg.com/SG/en/services/Tax/Documents/Immigration-alert-1.pdf>.
- 3 "Degree mills" refer to an unaccredited higher education institution that offers illegitimate academic degrees and diplomas for a fee.
- 4 For full details on the eligibility for Dependant's Pass (<http://www.mom.gov.sg/passes-and-permits/dependants-pass/eligibility>) and Long Term Visit Pass (<http://www.mom.gov.sg/passes-and-permits/long-term-visit-pass/eligibility>).

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