

June 3, 2016 2016-068

# Singapore – Strong Singapore Core Important in Work Pass Application Process

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## flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

On 8 April 2016, it was announced<sup>1</sup> in Singapore's Parliament that the Ministry of Manpower (MOM) will introduce new measures aimed at encouraging companies to hire Singaporeans, thereby reinforcing the Singapore work-force.<sup>2</sup>

#### **Why This Matters**

Companies that are assessed as "Triple Weak" will face closer scrutiny. If assessed as Triple Weak, that is, they exhibit a so-called weak "Singaporean Core," a feeble commitment to develop its Singaporean Core, and a tenuous economic link and social impact with regards to Singapore, the company will be placed on a watch-list and may end up having its work pass privileges curtailed (more on the meaning of these terms below).

#### **Background**

Currently, work pass applications are assessed based on "individual-related" criteria such as the applicant's qualifications, work experience, and salary.

#### The "Triple Weak" Firm Concept

Under the newly-expanded application process, the assessment of applications will also focus on "company-centric" factors such as:

- How strong the Singaporean Core is in the company (the "Singaporean Core" refers to the Singapore employee population in the company);
- Whether a company with a weak Singaporean Core has a commitment to nurture and to develop its local work-force for the future; and
- How relevant the "double weak" company is to Singapore's economy and society ("Double weak" signifies companies that have been deemed as having a weak Singaporean Core with little or no commitment to develop this group).

If all three attributes are featured by a company, that company is characterized as Triple Weak. A company so assessed, will face closer scrutiny.

#### **Watch-list for Triple Weak Firms**

Assessments will be carried out by the Tripartite Alliance for Fair Employment Practices (TAFEP). The TAFEP will play a proactive role in identifying Triple Weak firms. Such companies will be placed on a watch-list.

If corrective actions are not taken to strengthen the Triple Weak factors, work pass privileges may be suspended. Renewal of existing employment passes and processing of new employment pass applications may also be affected.

On the other hand, so-called "Triple Strong" companies that are regarded as critical to Singapore's future development, including those related to the "Smart Nation programme," advanced manufacturing, and future services, will receive more support, for example, the new Human Capital Partnership (HCP), which is aimed at nurturing promising local talent into regional and even global talent.

#### **KPMG Note**

Employers should consider the following actions:

- Foster hiring practices that are transparent and can withstand scrutiny in terms of giving fair consideration to Singaporean candidates.
- Where there is a weak Singaporean Core within the company, the employer should have welldocumented plans to develop its existing Singaporean Core.

#### Footnotes:

1 For further information, see the "Speech by Mr Lim Swee Say, Minister for Manpower at Committee of Supply 2016," delivered on 8 April 2016 at: <a href="http://www.mom.gov.sg/newsroom/speeches/2016/0408-speech-by-minister-at-cos-2016">http://www.mom.gov.sg/newsroom/speeches/2016/0408-speech-by-minister-at-cos-2016</a>.

2 For related coverage, see GMS Flash Alert 2015-099, 7 August 2015.

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This article is excerpted, with permission, from "Further Refinements to the Work Pass Application Process to Strengthen the Global Competitiveness of the Singapore WorkForce," in *Tax Alert* (issue 17, May 2016), a publication of the KPMG International member firm in Singapore.

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- \* Please note the KPMG International member firm in the United States does not provide immigration services.

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Deploying talent in a fast-moving, borderless economy is challenging. Change is a constant for the mobility and HR professionals who must operate within this ever-evolving landscape. They must proactively adapt to change and manage disruption to enable success within their organizations.

The 2016 KPMG Global Mobility Forum is designed to provide insights, leading practices, and ideas to help turn these challenges and changes into opportunities. We have invited corporate professionals — with experiences ranging from international human resources and tax to immigration and employment law — to come together to discuss new strategies for adapting to change and embracing disruption within global mobility and talent management.

Please save the date and join us in Miami for the 2016 KPMG Global Mobility Forum. We look forward to seeing you at the Eden Roc hotel in Miami Beach 17–19 October 2016.

For more information, please contact your local GMS or People Services professional.

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