

January 7, 2020

Next generation business owners, high net worth individuals (HNWI) who are founders of fast growth companies or Principals starting single family offices and looking to relocate to Singapore may wish to consider applying under the Global Investor Programme (GIP) for the purposes of obtaining residency status in Singapore. The GIP offers Permanent Resident (PR) status to select group of HNWI and business owners to relocate to Singapore or at least move part of their business to the island, if they can demonstrate a plan to infuse capital injection into the Singapore economy and create employment opportunities for Singaporeans whilst driving their business growth from Singapore.

The updates to the qualifying criteria would take effect from 1 March 2020 in order to continue attracting serious and high quality entrepreneurs and business owners who can contribute to the Singapore ecosystem.

Below is a summary of the updates to the GIP that would be of interest to individuals attracted to Singapore:

Key Changes	Updated Requirements (as of 1 March 2020) and Comments
	<p>Minimum revenue requirements for established business owners would be increased to S\$200 million (from the existing requirement of S\$50million). Owners may consolidate up to 2 of their businesses engaged in any of the industries listed below to meet the minimum revenue criteria.</p> <p>The industries that qualify under the GIP remain unchanged and are as follows:</p> <ol style="list-style-type: none">1. Aerospace Engineering2. Alternative Energy/ Clean Technology3. Automotive4. Chemicals5. Consumer Business6. Electronics7. Energy8. Engineering Services9. Healthcare10. Infocomm Products & Services11. Logistics & Supply Chain Management12. Marine & Offshore Engineering13. Media & Entertainment14. Medical Technology15. Nanotechnology16. Natural Resources17. Safety & Security
Update to existing requirements → Annual turnover of company for established business owners	

Key Changes	Updated Requirements (as of 1 March 2020) and Comments
	<ul style="list-style-type: none"> 18. Space 19. Shipping 20. Pharmaceuticals & Biotechnology 21. Precision Engineering 22. Professional Services e.g. consulting, design 23. Arts Businesses 24. Sports Businesses 25. Family Office & Financial Services
<p>New Investment options → Option (C) is a new option</p>	<p>Option (A) - Invest S\$2.5 million in a new business entity here or expand an existing business operation; or</p> <p>Under Option A, a detailed 5-year business or investment plan has to be submitted. Additionally, applicants should have at least 30% shareholding in the Option A company and must be part of the management team.</p> <p>Option (B) - Invest S\$2.5 million in a fund offered under the GIP scheme which invests pre-dominantly in Singapore-based firms</p> <p>Option (C) - Invest S\$2.5 million in a new or existing Singapore-based single family office having Assets-Under-Management (AUM) of at least S\$200 million (Offshore assets can be qualified as part of the AUM requirement, provided at least S\$50 million AUM has been transferred into and held in Singapore).</p> <p>→ Option C is a new investment option that would be added as an alternative to the existing investment options (A) and (B).</p> <p>The relevant investments are to be made within 6 months after the issuance of the Approval-in-Principle of the PR status by the Immigration & Checkpoints Authority of Singapore.</p>
<p>New category of investors → 1) Next Generation Business Owners</p>	<ul style="list-style-type: none"> • Immediate family should have at least 30% shareholding or is the largest shareholder in the company that an applicant uses to qualify; • Minimum revenue requirements for the company would be S\$500 million in the most recent year, and at least S\$500 million per annum on average for the last three years; • Business owner must be part of the management team (eg, C-suite/board of directors); and • The company must be engaged in one or more of the industries listed above.
<p>New category of investors → 2) Founders of Fast Growing Companies</p>	<ul style="list-style-type: none"> • Individual must be a founder and one of the largest individual shareholder of a company with a valuation of at least S\$500 million; • The company must be invested into by reputable venture capital/private equity firms; and

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<p>New category of investors → 3) Family Office Option</p>	<ul style="list-style-type: none"> The company must be engaged in one or more of the industries listed above. Individual must possess at least 5 years of entrepreneurial investment or management track record; and Individual must have net investible assets of at least S\$200 million. Net investible assets would include all financial assets such as bank deposits, capital market products, collective investment schemes, and other investment products (but excluding real estate).
<p>Other updates → streamlining requirements for PR renewal</p>	<p>Applicant who obtains the PR approval will be issued a re-entry permit that is valid for five years. This enables him/ her to retain his/ her PR status while away from Singapore.</p> <p>There are certain changes to the renewal of the PR status.</p> <p>For a three year renewal under Options A or B, the applicant has to meet the investment conditions under either (A) or (B) above (as the case may be) and either:</p> <ol style="list-style-type: none"> Employ or set up a business with at least 10 employees (including at least 5 Singapore Citizens) and have incurred at least S\$2 million in total business expenditure in a year; or Applicant or dependent who has a PR has resided in Singapore for more than half the time. <p>For a three year renewal under Option C, the applicant has to meet the investment conditions under (C) above and either:</p> <ol style="list-style-type: none"> Employ or set up a business with at least 10 employees (including at least 5 Singapore Citizens) and 3 professionals (who are non-family members) and have incurred at least S\$2 million in total business expenditure a year; or Applicant or dependent who has a PR has resided in Singapore for more than half the time. <p>For a five year renewal under Options A or B, the applicant has to meet the investment conditions under (A) or (B) above (as the case may be) and meet both the following conditions:</p> <ol style="list-style-type: none"> Employ or set up a business with at least 10 employees (including at least 5 Singapore Citizens) and have incurred at least S\$2 million in total business expenditure a year; and Applicant or dependent who has a PR has resided in Singapore for more than half the time. <p>For a five year renewal under Option C, the applicant has to meet the investment conditions under (C) above and meet both the following conditions:</p> <ol style="list-style-type: none"> Family Office in Singapore must employ at least 10 employees (including at least 5 Singapore Citizens) and 3 professionals (who are non-family members)

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	and have incurred at least S\$2 million in total business expenditure a year; and 2. Applicant or dependent who has a PR has resided in Singapore for more than half the time.

As the changes to the GIP will take effect from **1 March 2020**, applications received via EDB's system from 00:00hrs on 1 March 2020 onwards will need to meet with the revised qualifying criteria and milestones. The non-refundable application fee has been increased to S\$10,000 with effect from 1 April 2020.

The latest changes reflect the intention of authorities to attract more family offices, next generation business owners and founders of upcoming 'unicorns' to establish presence in Singapore in order to create more business and employment opportunities here and continue to enhance Singapore's status as a hub for high growth technology companies and investment activities whilst growing certain key industries here. The author's view is that it would be prudent for any potential applicant to ensure that the application clearly presents or reflects what economic value would be added to Singapore through the proposed business activities, and perhaps professional counsel and advice would be most useful in understanding the requirements and reviewing and assisting with any of such application. It is also hoped that more funds would participate as GIP funds (currently 2 funds at the date of this article) so as to provide more options to global investors. It is anticipated that increasingly more foreign-based founders and managers of family offices (alongside other high net worth business owners) would look at the updated GIP programme with greater interest if they are interested in shifting base to Singapore given several factors in favour of Singapore (i.e. relatively stable political climate, high education standards, green spaces, low crime and efficient infrastructure etc).

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Further readings

<https://www.edb.gov.sg/en/how-we-help/global-investor-programme.html>

This article has been updated on 15 April 2020 with the new fees payable for the GIP application, with effect from 1 April 2020.

This article is an update to an earlier article (prepared in 2016) based on upcoming revisions to the Global Investor Programme in 2020 - a scheme administered by Contact Singapore (a division of the Economic Development Board of Singapore). The previous article can be accessed [here](#).

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