

# GLOBAL INVESTOR PROGRAMME – (GIP) TO OBTAIN PERMANENT RESIDENCE (PR) STATUS

- The government is trying to drive money into local economy.
- Influx of wealth has pushed up property and car prices



(The central business district (CBD) of Singapore. *Photographer: Lauryn Ishak/Bloomberg*)

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Singapore is increasing the threshold for global investors seeking permanent-resident status in an attempt to create more jobs and benefit locals due to an influx of wealth.

Applicants will need at least S\$10 million (\$7.4 million) in a business or S\$25 million in an approved fund, the Singapore Economic Development Board said in a statement Thursday. For those establishing family offices, at least S\$50 million must be deployed and maintained in four government-designated investment categories.

That compares with a previous requirement of a S\$2.5 million investment in a business entity, fund or Singapore-based single family office. The changes take effect from March 15.

Singapore is tackling a perceived growing wealth gap brought on in part by the arrival of rich families from overseas. The country's infrastructure and stability has attracted a growing number of ultra-wealthy individuals, contributing to a spike in costs for everything from luxury cars to golf club memberships and condominiums.

The government is fine-tuning its policies by encouraging more local jobs and investment in the city-state's stock exchange and funds. It announced a tax hike on higher-value property and luxury cars in February.

The investment program refinement will “encourage the growth of businesses and capital accumulated in Singapore,” Desmond Teo, EY Asean private tax leader said in a statement, adding that two winners will be the country's asset management industry and companies that will receive funding.

## Luring Talent

The Global Investor Programme was introduced in 2004 to attract the world's wealthiest people and provides a route to permanent residency.

About 200 permanent residencies were granted from 2020 to 2022. The design has also brought in at least S\$5.5 billion in investments and created more than 24,000 jobs. About S\$1.62 billion was injected into approved funds, of which 57% was invested in Singapore-based companies.

The city-state was expected to get around 2,800 high-net-worth individuals in 2022 alone, according to residence and citizenship planning provider Henley & Partners. The firm estimates that 249,800 residents there have a net worth of at least \$1 million, making it the world's fifth wealthiest city.

Here's a breakdown of the pathways available:

### Option A

- Invest at least S\$10 million, inclusive of existing paid-up capital, in a new business entity or existing business operation in Singapore
- Hire at least 30 employees, at least half of whom must be Singapore citizens and 10 of whom must be new employees, to be eligible for the Re-entry Permit Renewal after the initial five-year period

### Option B

- Applicants must invest S\$25 million in a Global Investor Programme-select fund

### Option C

- Requirement to establish a Singapore-based single family office with at least S\$200 million in assets under management
- At least S\$50 million must be deployed and maintained in these categories including companies listed on local exchanges, qualifying debt securities, funds distributed by approved Singapore-licensed managers; or private equity injection into non-listed, Singapore-based businesses.

(Updates with analyst comments throughout)

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