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Guide to Singapore Entrepreneur Pass

The Singapore Entrepreneur Pass (also known as EntrePass) is a business type of visa designed for foreign businessmen who would like to set up a new company in Singapore (or relocate an existing one to Singapore). The application for EntrePass is normally processed before the registration of a company in Singapore. That is, it is only after you are certain as to the result of your EntrePass application, you then will set up your Singapore company. In other words, you don't have to spend money on the registration of company if your application is not being approved. Once after approved, the applicant will have 30 days complete the registration of his/her Singapore company.

1. Benefits and Features of Entrepreneur Pass

- (1) Your Entrepreneur Pass application must be sponsored for SGD3,000 by a Singapore-based company (this amount of money is a security bond the Ministry of Manpower requires; it is refunded when the Singapore entrepreneur visa ends).
- (2) EntrePass can be processed only before incorporation or 6 months after it. If the Singapore company was incorporated for more than 6 months before application for Entrepass, and the foreign shareholder/director wants to relocate to SG to place himself at the head of his company, applying for the Employment Pass will be the only available option.
- (3) Educational requirement is less significant for the EntrePass application; personal entrepreneurial background and innovative business plan weigh much more.
- (4) The Singapore company must be incorporated within 30 days after the application is approved and the EntrePass is issued.

2. Advantages and Disadvantages of EntrePass

(1) Advantages

- (a) Holder of EntrePass can bring a spouse and children to Singapore after applying for their Dependant's Passes.
- (b) Entrepreneur can apply for a permanent residence in Singapore (usually in 2 years).
- (c) Singapore keeps its individual income tax unprecedentedly low for its work visa holders (0% – 20%). The corporate income tax is also one of the lowest in the world, currently at 17%.

(2) Disadvantages

- (a) Holder of EntrePass can apply for the Dependant's Pass for family members only after the first visa renewal and meeting certain criteria (spending at least SGD150,000 by his/her business and creating at least 4 local job positions).
- (b) Not all businesses qualify for Singapore EntrePass (for example, travel or staffing agencies don't).
- (c) EntrePass could only be applied for within 6 months after the incorporation of the Singapore company.

3. Eligibility Criteria and Requirements for EntrePass in Singapore

The applicant for EntrePass (and the Singapore company set up by the applicant) must, in general meet the following requirements before an application for EntrePass will be approved:

- (1) The applicant must have a prominent entrepreneurial background.
- (2) The applicant aims at registering his/her Singapore company as a private limited company, instead of a partnership or a sole proprietorship.
- (3) The Singapore company isn't incorporated yet or less than 6 months passed after the incorporation.
- (4) The Singapore company must have a paid-up capital of no less than SGD50,000.
- (5) The applicant must hold at least 30% of shares in the new Singapore company.
- (6) The applicant must provide a 10-page business plan. The business idea you bring forward must be beneficial for Singapore economy, innovative, and show great promise for growth and boosting employment of local professionals.

In addition, the new Singapore company must fulfil the following enhanced eligibility requirements:

- (1) A third party Venture Capitalist or an accredited angel investor who is ready to invest at least SGD100,000 in the company;
- (2) Hold a nationally-recognised proprietary or licensed Intellectual Property (IP);
- (3) Has research collaboration with a recognised by research institutions such as A*STAR or a local tertiary institution;
- (4) Be an incubatee at a government-approved incubator; or
- (5) Receiving support from a Singapore Government agency.

4. Procedures and Processing Time

- (1) Procedure and Timeline

The Ministry of Manpower of Singapore generally takes a period of 4 to 6 weeks to process an application because the requirements for EntrePass application are more stringent and complex. If there is further clarification required by Ministry of Manpower, it will delay the process of approval.

- (2) Upon Approval

The IPA letter is valid for 6 months from the date of notification of approval which allows you that much time to relocate to Singapore to start business operations. The IPA letter must be produced upon collection of the EntrePass at the Work Pass Division at Ministry of Manpower.

To collect your EntrePass, you will be required to present the following documents:

- (a) A copy of the IPA letter
- (b) Passport size photo
- (c) Original passport with the entry embarkation cards
- (d) Medical exam report* (if the In-Principle Approval states that you require one)
- (e) Any other documents that are requested in the approval letter

You may get a medical examination done in your own country through an established clinic/hospital, or in Singapore. Most clinics in Singapore can provide medical examination and report within one day.

5. Entrepreneur Pass Renewal Process

Renewals of the EntrePass are contingent on meeting the two main requirements stipulated by Ministry of Manpower. These are related to employing certain minimum number of Singaporean or local workers and the Total Business Spending (TBS). In particular, in order to have the renewal application approved by MOM, the company owned and operated by the holder of the EntrePass must meet the following Entrepreneur Pass renewal criteria:

- (1) Hiring local individuals. The minimum number of locals the entrepreneur's Singapore must hire during the first year of his EntrePass is two. Every next year of his EntrePass renewal duration, two more employees must be added.
- (2) Minimum business spending for the first year is SGD100,000, and this sum will increase with every year's renewal of Entrepreneur Pass.
- (3) Please take into account that to take a family along to Singapore, a foreign entrepreneur has to create four local jobs and spend at least SGD150,000 SGD during the first term of EntrePass.

Entrepreneur Pass renewal procedure can be begun 3 months before the pass expires, but in any case the renewal process should be started at least 2 months before the expiration date. The EntrePass can be extended for one year each. The renewal process takes up to 6 weeks.

If you wish to obtain more information or assistance, please browse the official website of Kaizen Certified Public Accountants Limited at www.bycpa.com or send email to enquiries@bycpa.com.