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Singapore Employment Pass Subject to Scoring System

In the Budget 2022, Singapore announced that the latest salary thresholds for EPs and SPs will be further increased from September 2022.

At present, the minimum salary for all new EP (Employment Pass) applicants will be increased from \$\$4,500 to \$\$5,000, and for those in the financial sector, the salary threshold will be increased from S\$5,000 to S\$5,500.

A month later, in early March 2022, Singapore's Minister for Human Resources, Mr Tan See Yong, announced that the Singapore Minister for Manpower would also introduce the Complementarity Assessment Framework (COMPASS) for this arrangement to adequately assess whether the applicant and the company (or organisation) could meet the current labour market needs. The COMPASS will be used as a specific criterion to determine whether an applicant is eligible for the relevant pass. The system will come into effect on 1 September 2023.

COMPASS enables employers to select high-quality foreign professionals, while improving workforce diversity and building a strong Singaporean core. It is a transparent system that gives businesses greater clarity and certainty for manpower planning.

COMPASS will apply to:

- New applications from 1 September 2023
- Renewals from 1 September 2024

I. Elements of the scoring system

The criteria of the scoring system will be divided into individual and firm-related components, and the scoring system will be divided into two different areas for foundational criteria and bonus criteria so that applicants for jobs on the shortage list and employers who have made a greater contribution to innovative or international activities will be more fully considered.

	Individual Attributes			Firm-Related Attributes		
Foundational Criteria	C1	Salary	C3	Diversity		
	Relative to local PMET salary norms for sector		Whether candidate improves nationality diversity in firm			
	C2	Qualifications	C4	Support for Local Employment		
	Based on candidate's qualifications			Based on local PMET share relative to industry peers		
Bonus Criteria	C5	Skills Bonus Shortage Occupation List)	C6	Strategic Economic Priorities Bonus		
	For candidates in job where skills shortages exist			For partnership with Government on ambitious innovation or internationalisation activities		

II. Criteria of the scoring system

- 1. Basic Assessment Criteria
 - (1) Comparing the monthly salary of the applicant and local white-collar employees in the same industry
 Applicant's monthly salary is at or above 90% level of peers of the same age, 20 points; 65%-90%, 10 points; below 65%, 0 points.
 - (2) Applicant's academic qualifications
 20 points if the applicant has graduated from a top school; 10 points if equivalent to a university degree; 0 points if no university degree.
 - (3) Applicant's nationality and proportion of PMETs of other nationalities in the company
 20 points if the applicant's nationality represents 5% or less of the company's total workforce; 10 points if 5%-25%; 0 points if over or just under 25%.

(4) Comparison of the ratio of local to foreign employees in the company and peers

Applicant's company with more than or exactly 50% local employees, 20 points; 20%-50%, 10 points, less than 20%, 0 points.

Scored on Four Foundational Criteria						
20 Exceeds expectations						
10 Meets expectations						
0 Does not meet expectations						
Individual Attributes		Firm-Related Attributes				
C1. Salary		C3. Diversity				
Fixed monthly salary compared to loca	1	Share of candidate's nationality among				
PMET salaries in sector by age		firm's PMETs.				
≥ 90 th percentile	20	< 5%	20			
65 th to 90 th percentile 10		5 % to 25%	10			
< 65 th percentile	0	≥ 25%	0			
C2. Qualification Based on candidate's qualifications		C4. Support for Local Employment Firm's share of local PMETs within its subsector				
Top-tier institution	$20 \geq 50^{\text{th}}$ percentile		20			
Degree-equivalent qualification	10	20 th to 50 th percentile	10			
No degree-equivalent qualification 0		< 20 th percentile				

It is clear from the scoring framework that the vetting of Employment Pass applications has become more stringent. When comparing the same age group and the same industry category, Singapore has made it clear that it will prefer to pass on applications with higher monthly salary levels or better academic backgrounds, while also taking into account the diversity of the company's employee structure and the ability to adequately cater and take into account the current local employment needs in Singapore, in recognition of those companies that are striving to create opportunities for the local workforce and building a more diverse of local and foreign professionals.

In addition, as Singapore continues to seize new economic opportunities, more companies will need access to skilled personnel to fill these job vacancies. To compensate for the fact that the basic assessment component does not adequately reflect the needs of the local labour market in Singapore, MOM has also provided further assessment criteria for the award points to enhance the quality of applications.

- 2. Bonus Criteria for the Scoring System
 - (1) Shortage Occupation List (SOL) Criteria

The Shortage Occupation List (SOL) recognises EP holders in occupations requiring highly specialised skills that are currently in shortage in the local workforce. As an indication, this could include niche infocomm-related roles supporting Singapore's digitalisation drive.

- a. Whether the content of the occupation is relevant to Singapore's economic priorities
- b. The extent and nature of the labour shortage in the occupation
- c. The progress of the sector in developing a local pipeline to address these shortages in the medium term

A third-party assessment panel will be appointed to assess and develop the content of the Shortage Occupation List (SOL), which is expected to be completed by March 2023, and subsequently publish the first SOL.

(2) Strategic Economic Priorities

COMPASS recognises companies that are undertaking ambitious innovation, or internationalisation activities in partnership with the Government, in line with our economic priorities. Such companies should also have the scale or potential to provide good jobs for locals.

Examples of programmes that could be included are:

- ESG's Scale-up SG, which aims to help high-growth local companies scale effectively and become future global champions
- EDB's Research and Innovation Scheme for Companies (RIS(C)), which supports and anchors companies' technology development and innovation activities in Singapore

Table 3-Bonus Criteria for the Scoring System

Scored on Bonus Criteria						
C5. Skills Bonus - Shortage Occupation List (Individual)		C6. Strategic Economic Priorities Bonus (Firm-related)				
Job on the Shortage Occupation List 20		Firm meets specific assessment criteria on innovation or internationalisation activities	10			

COMPASS Scoring System							
	Individual Attributes			Firm-Related Attributes			
	C1	Salary			Diversity		
Foundational Criteria	Fixed monthly salary compared to local PMET salaries in sector by age				Share of candidate's nationality among firm's PMETs.#		
	$\geq 90^{\text{th}}$	percentile	20	< 5% 20		20	
	65 th to	o 90 th percentile	10	5 % to 25%		10	
	< 65 th	^e percentile	0	≥ 25% 0		0	
	C2	Qualification		C4	C4 Support for Local Employment		
	Based on candidate's qualifications				Firm's share of local PMETs within its subsector [#]		
	Top-t	ier institution	20	≥50% 20		20	
	Degree-equivalent qualification 10			20% to50% 10			
	No degree-equivalent qualification 0			<20% 0			
Bonus	C5 Skills Bonus - Shortage Occupation List			C6	Strategic Economic Pric Bonus	orities	
Criteria	Job o List*	n the Shortage Occupation	20	Firm meets specific assessment criteria on innovation or 10 internationalisation activities		10	
Remark	*Skills bonus is reduced to +10 if the share of candidate's nationality among the firm's PMETs is one-third or higher.			# Small firms with fewer than 25 PMET employees score 10 points on C3 and C4 by default. PMETs are proxied by employees earning at least \$3,000 per month.			

If you need assistance or wish to obtain more information, please visit our official website at *www.kaizencpa.com* or contact us through the following methods:

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