

Singapore Immigration Updates - Complementarity Assessment (COMPASS) Framework

November 2022



Overview

This second part of our immigration alert focuses on the upcoming changes to Singapore's Employment Pass eligibility criteria and other initiatives to address the tight labour market in Singapore.

Complementarity Assessment (COMPASS) Framework

On 4 March 2022, the Ministry of Manpower ("MOM") introduced the new COMPASS framework which will apply to new Employment Pass ("EP") applications from 1 September 2023 and EP renewals from 1 September 2024.

COMPASS is a points-based framework that evaluates EP applicants based on a holistic set of individual and firm-related attributes. COMPASS is scored on four foundational and two bonus criteria. Furthermore, each criteria can award either:

- ▶ 0 points (does not meet expectation);
- ▶ 10 points (meets expectation); or
- ▶ 20 points (exceeds expectation).

Besides meeting the prevailing qualifying salary, the EP candidate must score at least 40 points to pass COMPASS.

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Foundational Criteria		Points	
Salary	Fixed monthly salary compared to local professional, managerial, executive, and technical ("PMET") salaries in sector by age	≥ 90th percentile	20
		65th to < 90th percentile	10
		< 65th percentile	0
Qualification	Candidate's Qualification	Top-tier institution	20
		Degree-equivalent institution	10
		No-degree-equivalent institution	0
Diversity*	Share of candidate's nationality among firm's PMET's	< 5%	20
		5 to < 25%	10
		≥ 25%	0
Support for Local Employment*	Share of local PMETs within firm's subsector	≥ 50th percentile	20
		20th to < 50th percentile	10
		< 20th percentile	0

* Small firms with fewer than 25 PMET employees score 10 points by default. The MOM considers PMET employees as those earning at least \$3,000 per month.

Bonus Criteria		Points	
Skills Bonus	Job on the Shortage Occupation List	Yes	20
		Yes - If share of candidate's nationality among firm's PMETs is one-third or higher	10
		No	0
Strategic Economic Priorities Bonus	Firm meets specific assessment criteria on innovation, or internationalisation activities.	Yes	10
		No	0



Candidates are exempted from COMPASS if they fulfill any of the following conditions:

- ▶ Earning at least S\$22,500 fixed monthly salary
- ▶ Applying as an overseas intra-corporate transferee under the World Trade Organisation's General Agreement on Trade in Services or an applicable Free Trade Agreement that Singapore is party to.
- ▶ Applying for Short Term EP (i.e., not exceeding 1 month)

As clarified by Singapore's Minister for Manpower, the COMPASS framework is designed to be balanced and reasonable, and not to raise the difficulty in hiring EP holders. It also provides greater clarity for employers so that they will have better predictability for their manpower planning.

The COMPASS framework foundational criteria reflects the Singapore government's longstanding policy of attracting quality and complementary foreign talent while maintaining a strong Singaporean core. The bonus criteria also provides further recognition to EP applications which bring in specialized skills in which are in shortage or support strategic economic priorities of Singapore.

The MOM will release more details on COMPASS criteria and assessment tools from December 2022 to help businesses prepare the rollout.

Reduced job advertising duration under the Fair Consideration Framework ("FCF") and processing times for EP applications

The FCF took effect from 1 August 2014 to combat discriminatory hiring practices and to ensure that Singaporeans are considered fairly for all job vacancies.

Under the FCF, employers are generally required to advertise all job vacancies on MyCareersFuture for a set period prior to submitting an EP application.

Back in October 2020 when the labour market was weak due to the COVID-19 pandemic, the MOM had increased the job advertising duration from 14 days to 28 days to allow resident jobseekers more time to respond to job openings. From 1 September 2022, the job advertising duration was reverted to 14 days. This is to address the tightening labour market amid Singapore's economic recovery and employers' feedback on the hiring difficulties caused by keeping job listings open for an extended period.

Furthermore, the MOM has announced that it will reduce processing times for EP applications with immediate effect. Employers can expect to receive EP application outcomes, or at least an update from MOM, within 10 business days.

5-year Employment Pass Option

First-time successful EP candidates are normally granted EPs with an initial validity period of up to 2 years while subsequent EP renewals may be granted for up to 3 years.

From 1 September 2023, experienced tech professionals who satisfy all the following criteria may apply for a pass duration of up to 5 years when submitting their EP application:

- ▶ Fill specific tech occupations on the COMPASS Shortage Occupation List (SOL) (1st SOL to be announced in March 2023)
- ▶ Earn a fixed monthly salary of at least S\$10,500 (older candidates will need higher salaries to qualify and up to S\$13,500 for candidates aged 45 and above)

- ▶ Pass COMPASS and score at least 10 points on the Diversity Criterion.

The purpose of the above is to provide employers and tech professionals with greater certainty on their workforce planning and allows Singapore to anchor tech capabilities while Singapore develops its local pipeline.

New benchmark pegged to top 10% of EP holders

The MOM will introduce a new benchmark pegged to the top 10% of EP holders. To align with this benchmark, the exemption bar for the FCF job advertising requirement and the upcoming COMPASS will be raised from S\$20,000 to S\$22,500. In addition, the salary criterion for the Personalised Employment Pass ("PEP") will also be raised to S\$22,500. These changes will be implemented from 1 September 2023.

The MOM will review these thresholds annually against the benchmark while considering prevailing economic conditions.

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