### Client Update: Singapore

2022 DECEMBER



**Employment & Benefits** 

### Launch of M-SEP Scheme – Improved Flexibility to Hire S Pass and Work Permit Holders

On 13 December 2022, the Ministry of Manpower ("MOM") and the Ministry of Trade and Industry ("MTI") jointly announced the launch of the Manpower for Strategic Economic Priorities ("M-SEP") Scheme. Under it, qualifying firms will have the flexibility to temporarily hire S Pass and Work Permit holders above the prevailing Dependency Ratio Ceiling ("DRC") and S Pass sub-DRC.

Eligible firms can obtain additional S Pass and Work Permit quotas, subject to a cap of 50 workers per firm, of up to 5% above their base workforce headcount. The additional flexibilities under the M-SEP scheme will last for two years upon enrolment and may be renewed if renewal conditions are met.

To qualify, firms must satisfy both of the following conditions:

- (a) Condition One: Participate in programmes or activities aligned with one of the following key economic priorities (see <u>Annex A for more details</u>):
  - Investments which support Singapore's hub strategy;
  - · Innovation or Research & Development; and
  - Internationalisation.
- (b) Condition Two: Commit to hiring and/or training locals (see <u>Annex B</u> for more details). Examples include:
  - Increase in net hiring of locals;
  - Workforce training resulting in job enhancement; and
  - · Being an industry leader with training excellence.

Firms seeking to be eligible for M-SEP renewal will need to show that both conditions have been fulfilled by the end of the M-SEP support period and maintained their local workforce share during the same period. Failure to do so will result in suspension from the M-Sep Scheme for two years.



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More information (including FAQs and a list of required supporting documents) are available <a href="here">here</a> on the MOM website.

Click on the following link for more information:

 MOM Press Release titled "Launch of the Manpower for Strategic Economic Priorities (M-SEP) scheme to support firms' expansion plans" (available on the MOM website at www.mom.gov.sg)

### **Contacts**



Desmond Wee
Head, Employment & Benefits
T +65 6232 0474
desmond.wee@rajahtann.com



Jonathan Yuen
Head, Employment & Benefits
(Disputes)
T +65 6232 0161
jonathan.yuen@rajahtann.com



Luo Qinghui
Deputy Head, Employment &
Benefits (Disputes)
T +65 6232 0587
ging.hui.luo@rajahtann.com



Kala Anandarajah, BBM
Partner, Employment &
Benefits
T +65 6232 0111
kala.anandarajah@rajahtann.com

Please feel free to also contact Knowledge Management at <a href="mailto:eOASIS@rajahtann.com">eOASIS@rajahtann.com</a>

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### **Regional Contacts**

R&T SOK & HENG | Cambodia

R&T Sok & Heng Law Office

T +855 23 963 112 / 113 F +855 23 963 116

kh.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | China

Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818

F +86 21 6120 8820

cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | Indonesia

Assegaf Hamzah & Partners

**Jakarta Office** 

T +62 21 2555 7800

F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550

F +62 31 5116 4560

www.ahp.co.id

RAJAH & TANN | Lao PDR

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239

F +856 21 285 261

la.rajahtannasia.com

CHRISTOPHER & LEE ONG | Malaysia

**Christopher & Lee Ong** 

T +60 3 2273 1919

F +60 3 2273 8310

www.christopherleeong.com

RAJAH & TANN | Myanmar

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346

F +95 1 9345 348

mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32

F +632 8552 1977 to 78

www.cagatlaw.com

RAJAH & TANN | Singapore

Rajah & Tann Singapore LLP

T +65 6535 3600

sg.rajahtannasia.com

RAJAH & TANN | *Thailand* R&T Asia (Thailand) Limited

T +66 2 656 1991

F +66 2 656 0833

th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | Vietnam

Rajah & Tann LCT Lawyers

**Ho Chi Minh City Office** 

T +84 28 3821 2382 / +84 28 3821 2673

F +84 28 3520 8206

**Hanoi Office** 

T +84 24 3267 6127

F +84 24 3267 6128

www.rajahtannlct.com

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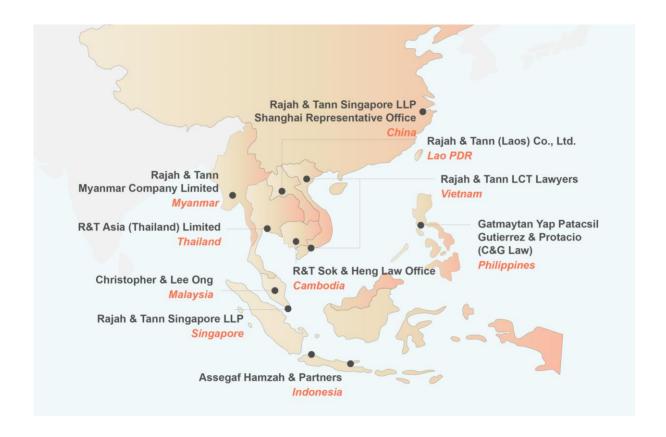
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