

# Immigration Newsletter

## March 2010

A publication by PwC International Assignment Services

In our first newsletter of 2010, we highlight a number of immigration developments that have taken place across Asia during the first quarter of the year. In their respective Budget speeches, Singapore has introduced a graduated increase in foreign worker levies for S Pass and Work Permit holders, and Malaysia announced certain initiatives designed to ease immigration processes in order to attract and retain foreign talent. China introduced new regulations relating to representative offices of foreign enterprises, and Japan has confirmed a revision to its recently announced policy on health insurance requirements for foreigners.

### SINGAPORE

#### Increase of Foreign Worker Levies

In the recent 2010 Budget Speech delivered by Finance Minister Tharman Shanmugaratnam, it was announced that foreign worker levies for S Pass and Work Permit holders will be raised over the next three years with effect from 1 July 2010. The change seeks to reduce employers' dependency on lower-skilled foreign workers, and concurrently encourage the recruitment of local workers and foreigners with higher skills and qualifications.

The increase in levy rates will be implemented in phases. From July 2010, rates for S Pass holders will be changed from the current single levy of \$50, to two tiers of \$100 per worker for the first 20% of the total workforce, and \$120 for the remaining 5%. Further graduated adjustments would be made until the rates reach \$150 and \$250 by July 2012.

The Government will also raise levy rates for most Work Permit holders by between \$10 to \$30 on 1 July 2010, with further adjustments in 2011 to 2012.

While the longer term impact of these changes may unfold gradually, it is clear that for certain industrial sectors – most notably construction, manufacturing, services and marine – the immediate financial effect on companies could be significant given the unavoidable cost of hiring large numbers of foreign workers that exists currently.

#### Changes to UK Passport Services in Singapore

The British High Commission in Singapore will cease issuance of passports from 22 March 2010. This change forms part of a regional initiative across Asia to centralise services at a Passport Processing Centre at the Consulate General in Hong Kong. Applicants will be required to submit their applications directly to Hong Kong via courier, however the target processing timeline is anticipated to remain as 10 working days. Further details will be issued by the British Foreign & Commonwealth Office in advance of 22 March.

### MALAYSIA

During the delivery of its 2010 Budget, the Malaysian Government announced that it will introduce certain initiatives to incentivise foreigners to live and work in Malaysia on a more permanent basis:

- The application process for Permanent Residence (PR) to “highly talented and skilled” foreigners is to be simplified.
- Foreign men married to Malaysian women will also be eligible to apply for PR.
- “Permission to Work” will be granted automatically to a working Dependant's Pass holder.

Full details relating to the initiatives and implementation are anticipated to be released by the Government in the coming months.

## CHINA

### New Regulations for Representative Offices of Foreign Enterprises

In January, the Chinese State Administration for Industry and Commerce (SAIC) and the Ministry of Public Security announced the introduction of two restrictions relating to representative offices of foreign enterprises. The measures are being implemented throughout China in the course of 2010.

First, the representative card (previously valid for up to three years) will now only be issued for up to one year, and renewable on an annual basis.

Second, a representative office may now only appoint a maximum of four foreigners as registered representatives (including chief representative and general representative), where previously this was not subject to limitation.

An existing representative office which has more than four representatives would not be compelled to remove existing individuals from the register, although it would not be permitted to appoint any in addition.

The regulations do however emphasise that the number of representatives should be commensurate with the relevant operations being conducted by the representative office, which potentially suggests that the SAIC may exercise discretion in exceptional cases. However to date the SAIC has appeared to be strictly interpreting the recently introduced quota.

Representative offices wishing to sponsor more than the permitted four foreign representatives should seek further immigration advice to explore what options may be available.

## JAPAN

### Amendment to Health Insurance Requirements for Renewals and Changes of Status

As an update to the Immigration Newsletter issued in June 2009, the Japan Immigration Authorities have confirmed that the previously announced requirement to present a Japanese health insurance card as proof of enrollment in the Japanese social insurance system when applying for a renewal of immigration status will not be included in the new regulations due to be implemented on 1 April 2010. Instead, the amended guidelines indicate that in order to promote social insurance enrollment, the Immigration Authorities will request applicants to present the certificate of insurance. However, it is also advised that applications for change of immigration status or renewal would not be rejected for failing to present the certificate of health insurance.

The Government's decision to reverse the mandatory health insurance element is considered to have been significantly influenced by the scale of feedback received from the local foreign community and lobbying from advocacy groups who argued the policy change would disadvantage foreign residents of Japan with overseas or private health insurance.

### How PwC's Global Visa Services can help you

The Global Visa Services (GVS) team of PwC's International Assignment Services is a dedicated team specialising in the provision of immigration advice and assistance with visa requirements and applications for employees. Our global network of immigration specialists based in over 95 countries globally forms one of the largest immigration service providers of its kind in the world.

Please visit our website at [www.pwcias.com](http://www.pwcias.com)

This guide is intended as a brief overview only – please contact us for further information and advice.

James Clemence, Partner

+65 6236 3948

[james.clemence@sg.pwc.com](mailto:james.clemence@sg.pwc.com)

Ruth Shaw, Manager

+65 6236 3867

[ruth.r.shaw@sg.pwc.com](mailto:ruth.r.shaw@sg.pwc.com)

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Co. Reg. No.: 199903085C