

# GIP OPTION B UPDATE



## FURTHER UPDATES TO SINGAPORE'S GLOBAL INVESTOR PROGRAM – OPTION B

### *Introduction*

1. This is an update to our earlier article regarding the March 2023 updates to the Global Investor Program (“GIP”). For more details on the broader GIP scheme, please refer to our earlier article which can be found at:

<https://www.leenlee.com.sg/2023/03/updates-to-singapores-global-investor-program/>.

### *Appointment of Seven Fund Management Companies as GIP-Select Funds*

2. On 1 June 2023, the Economic Development Board (“EDB”) formally appointed seven fund managers as GIP-select funds.
3. These fund managers were selected as they met the requirements laid out in EDB’s Call for Proposal in March. Such requirements included possessing assets under management of at least \$1 billion, having raised at least 3 funds and the General Partner having a minimum 10 years of investment track record.
4. The GIP-select funds will invest at least 50% of GIP monies received or \$50 million of GIP monies received (whichever is lower) from GIP investors into Singapore-based companies that are in sectors promoted by EDB and other economic agencies.
5. EDB expects that these fund managers will bring extensive market networks and domain knowledge to assist founders and innovative companies in Singapore expedite their go-to-market strategies, connect with prospective customers, and discover talent in the region and globally.

### *Investing in GIP-Select Funds under GIP’s Option B*

6. The GIP accords Singapore Permanent Resident (“PR”) Status to eligible global investors who aim to drive their businesses and investment growth from Singapore. Such foreign businessmen may bring their family members over as well. Under the recent March 2023 updates to the GIP, new investors will have to invest in a GIP-select fund that invests in Singapore-based companies if they choose to go under Option B.
7. Previously, an investor only had to invest \$2.5 million and the GIP fund had to invest at least 50% in Singapore-based companies upon-in-principle-approval. With respect to the Re-Entry Permit Renewal conditions, an investor had to hire at least 10 incremental

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employees, of which at least 5 must be Singaporean citizens. It also required the incurrence of \$2 million in total business expenditure by Year 5.

8. After the March 2023 updates, an investor must invest at least \$25 million in a GIP-select fund. The new investment quantum is 10 times the previous amount. The Re-entry Permit Renewal criteria for Option B has also been simplified. An investor will only need to maintain his investment in the GIP fund and an investor, or all his dependants, who obtained PR under his GIP application, must have resided in Singapore for more than half of the time.

## ***Concluding Thoughts on the Amendment***

9. Potential investors thinking of applying through the GIP's Option B should keep in mind that the current seven GIP-select funds mainly invest in the technology and healthcare sectors. The status of all fund managers will be renewed after a three-year period, subject to a review of their local investments. EDB also retains the discretion to call for proposals for new GIP-select funds every year. Thus, potential investors must also be continuously aware of the possible changes to the list of GIP-select funds.
10. If you are thinking of applying to become a Singapore PR through the GIP but are unsure of the process and whether you qualify, please contact us to determine what your best options are going forward.

## ***About Lee & Lee***

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