



GES Newsflash

Moving together. Making tomorrow.

Greetings from your Tax & Legal team at Deloitte Singapore. We are pleased to update you on the following:

Singapore: Foreign workers to be deported for unlicensed borrowing; licensed borrowing also to be restricted

The Singapore Ministry of Manpower (MOM) and Ministry of Justice have announced that foreign residents who borrow from unlicensed lenders will have their work pass revoked and be repatriated. Additionally, the Singapore Government will impose new legal limits on the amounts that foreign residents may borrow from licensed lenders.

- **Implementation time frame:** The restrictions on licensed borrowing for all foreign residents will be implemented in the fourth quarter of 2018 (already in effect since January 2018 for Singapore citizens and permanent residents). The penalties for unlicensed borrowing will be implemented in 2019.
- **Visas/permits affected:** Work Passes, Long Term Visit Passes, Short Term Visit Passes, Dependant's Passes, and Student Passes.
- **Business impact:** Companies will be informed by the MOM if a foreign employee is found to have borrowed from an unlicensed lender and if their work pass has been revoked. Companies may submit an appeal, which will be considered on a case-by-case basis.

Background

The limits on borrowing from licensed lenders will be based on the individual's annual income as follows.

Borrower's annual income	Maximum loan amount for foreign residents	Maximum loan amount for Singapore citizens and permanent residents
Less than S\$10,000	S\$3,000	S\$1,500
At least S\$10,000 but less than S\$20,000	S\$3,000	S\$3,000
S\$20,000	6X monthly income	6X monthly income

Deloitte Singapore's view

Foreign residents and their employers should be aware of the harsh consequences for borrowing from unlicensed lenders and the new limits on borrowing from licensed lenders.

The strict regulation is intended to protect borrowers from unlicensed lending and encourage borrowers to seek debt assistance.

Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, your usual contact in Deloitte, or any member of the [Deloitte Singapore Tax & Legal team](#).

Jill Lim

Southeast Asia GES Leader
Deloitte Singapore

+65 6530 5519
jilim@deloitte.com

Christina Karl

GES Partner
Deloitte Singapore

+65 6800 3997
ckarl@deloitte.com

Michele Chao

GES Partner

Sabrina Sia

Singapore GES Leader
Deloitte Singapore

+65 6216 3186
ssia@deloitte.com

Lisa Alton

GES Partner
Deloitte Singapore

+65 6800 2880
lialton@deloitte.com

Deloitte Singapore

+65 6216 3387

micchao@deloitte.com

This *GES NewsFlash* information is also included in our biweekly GES newsletter, *Global InSight*, which you will receive directly if you are on the central distribution list.

If you are not on the central distribution list and received this communication by some other means, you can subscribe to *Global InSight* by clicking [here](#).

Be sure to visit us at our website www.deloitte.com/sg/tax.



Deloitte | Add Deloitte as safe sender

Deloitte Touche Tohmatsu Limited

6 Shenton Way, OUE Downtown 2, #33-00,
Singapore 068809

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.com.

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising approximately 340 partners and 8,800 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Singapore

In Singapore, services are provided by Deloitte & Touche LLP and its subsidiaries and affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Deloitte & Touche LLP (Unique entity number: T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

© 2018 Deloitte & Touche LLP