

FINANCIAL INVESTOR SCHEME

APPLICATION FOR PERMANENT RESIDENCE (OPTION B)
FOR SENTOSA COVE BUNGALOW OWNERS

TERMS AND CONDITIONS

MONETARY AUTHORITY OF SINGAPORE
JANUARY 2005



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FOR SENTOSA COVE BUNGALOW OWNERS

Terms and Conditions

These terms and conditions shall remain binding upon the applicant who has been granted permanent residence and shall be of full force and effect upon the applicant until the end of the current retention period. MAS reserves the right to add to, vary, modify or amend the Financial Investor Scheme terms and conditions at any time.

(A) ELIGIBILITY

1. The applicant¹ shall place in Singapore at least SGD 5 million of assets ("Minimum Sum²"). The Minimum Sum shall comprise financial assets³ of not less than SGD 3 million and one Sentosa Cove Bungalow (comprising either land only or land and building)⁴.
2. The financial assets shall be placed with a financial institution regulated by the Monetary Authority of Singapore ("FI"). Existing financial assets placed with the FI can be included as part of the Minimum Sum.
3. The applicant shall have minimum Net Personal Assets (NPA) of SGD 20 million. Applicants with NPA of less than SGD 20 million may be considered on a case-by-case basis.
4. The application is subject to the final assessment of the Immigration and Checkpoints Authority of Singapore ("ICA").

(B) ACCOMPANYING FAMILY MEMBERS

5. Applicants may include their immediate family members, comprising spouse and unmarried children aged below 21 years in the same application⁵. On reaching 16 years, male children holding permanent residence status are liable for National Service.
6. Parents and parents-in-law may also be included in the same application⁶ if the applicant maintains an additional amount of SGD 2.5 million in financial assets for each parent or parent-in-law.
7. For unmarried children aged above 21 years, separate applications shall be submitted together with the main application⁷ and an additional amount of SGD 5 million in financial assets shall be maintained⁸ in the designated account.

(C) APPROVAL PROCESS

8. In-principle approval of PR status will be granted by the Immigration and Checkpoints Authority (ICA) following satisfactory evaluation of application(s).
9. Final approval of PR status will be granted by ICA upon:
 - a. Receipt by MAS of written confirmation from the FI that the applicant has placed at least SGD 3 million of financial assets with the FI (Annex B of the Financial Investor Scheme Application Form - "Assets under Management Declaration") and from Sentosa Cove Pte Ltd ("SCPL") that the applicant has concluded the purchase of the Sentosa Cove Bungalow (i.e. completed the sale and purchase and any other necessary documentation in connection with the Sentosa Cove Bungalow and either made full payment to seller or made payment of the Sentosa Cove Component⁹).

(The applicant has 6 months from the date of in-principle approval of PR status to place fully the Minimum Sum in Singapore. During these 6 months, the applicant may remain in Singapore on a 3-month Social Visit Pass, renewable for a further 3 months.)

- b. Receipt by MAS of a copy of the undertaking given by the FI and the applicant that they will observe and abide by the reporting requirements in respect of the designated account as set out in Annex C of the Financial Investor Scheme Application Form - "Undertaking Between Applicant and Financial Institution".

- c. Receipt by SCPL of the undertaking by the applicant to observe and abide by the requirements set out in Annex D of the Financial Investor Scheme Application Form - "Undertaking Between Applicant and Sentosa Cove Pte Ltd".
- d. Satisfactory completion of administrative formalities required by ICA and through the issue of an Entry Permit by the Controller of Immigration.

(D) MAINTENANCE OF FINANCIAL ASSETS

10. The financial assets shall be held for a continuous period of 5 years, commencing from the date of issuance of the Entry Permit.
11. The financial assets shall be held in a designated account with the FI¹⁰. The applicant shall obtain an undertaking from the FI¹¹ to observe and abide by the reporting requirements in respect of the designated account. Reporting requirements are set out in Annex C of the Financial Investor Scheme Application Form - the "Undertaking Between Applicant and Financial Institution".
12. Compliance with the terms and conditions of the Financial Investor Scheme will facilitate the subsequent renewal of the Re-entry permit¹².
13. Withdrawal of Financial Assets
 - a. The applicant may withdraw ONLY interest income, capital gains and dividend income, from the designated account during the 5-year retention period.
 - b. If the value of the financial assets falls below that component of the Minimum Sum as set out in (A) 1 (for reasons other than a withdrawal), there will be no need to top up the designated account affected.
14. Change of FI / Transfer of Financial Assets
 - a. The applicant may transfer financial assets from one FI to another FI at any time during the 5-year retention period, provided that the total value of the financial assets withdrawn, except interest income, capital gains and dividend income for the current calendar year, is transferred in full to the new FI. The Applicant and/or FIs shall notify MAS within 7 working days of the change.
 - b. The applicant shall obtain a new "Undertaking Between Applicant and Financial Institution" (Annex C) with each new FI with which he holds a designated account.

(E) MAINTENANCE OF SENTOSA COVE BUNGALOW

15. The Sentosa Cove Bungalow shall be held for a continuous period of 5 years, commencing from the date of issuance of the Entry Permit.
16. The applicant shall also give an undertaking to SCPL as set out in Annex D of the Financial Investor Scheme Application Form – the "Undertaking Between Applicant and Sentosa Cove Pte Ltd".
17. Disposal of Sentosa Cove Property
 - a. In exceptional cases where the applicant is compelled by his circumstances to dispose of the Sentosa Cove Bungalow during the 5-year retention period, the applicant shall convert the sales proceeds into financial assets under the Scheme to ensure continued eligibility and compliance with the Scheme. The minimum amount of sales proceeds that shall be converted into financial assets will be determined by SCPL as being equal to the Sentosa Cove Component or the full sales proceeds¹³, whichever is lower.
 - b. The applicant shall notify SCPL within 7 working days of any disposal of the Sentosa Cove Bungalow, and SCPL will in turn notify MAS. The applicant shall also notify SCPL of the date of the contract for sale and purchase of the Sentosa Cove Bungalow, as well as the identity of the purchaser, the amount of sales proceeds, the identity of the recipient FI and the amount of re-investment.
 - c. The applicant has up to one month from completion of sale of the Sentosa Cove Bungalow to reinvest the sales proceeds in financial assets with the FI. The applicant shall enter into a new "Undertaking Between Applicant and Financial Institution" with the FI. The applicant shall confirm to SCPL that the sales proceeds have been transferred to the FI, and SCPL will in turn notify MAS.

(F) CITIZENSHIP

18. Applicants may apply for citizenship¹⁴ after residing in Singapore as a PR for 2 years.
 - Absences from Singapore due to official business may be treated as residence for purpose of citizenship application on a case-by-case basis.
19. Applicants who are granted citizenship during the 5-year retention period will no longer need to comply with the terms and conditions of the Financial Investor Scheme.

¹ A male applicant will be exempted from National Service. However, male ex-Singapore citizens and ex-Singapore Permanent Residents who are subsequently granted Singapore Permanent Resident status may be liable to be called up for National Service under the Enlistment Act.

² The Minimum Sum may increase should the applicant include parents and parents-in-law in the application. See (B) 6

³ Financial assets can be in any or all of the following forms: (i) bank deposits; (ii) capital markets products; (iii) collective investment schemes; (iv) premiums paid in respect of life insurance policies; and (v) other investment products.

⁴ The initial purchase of sites from Sentosa Development Corporation ("SDC") will comprise land only. Purchases from developers or via subsequent resale will generally comprise land and building. The applicant is required to comply with SDC's set of terms and conditions pertaining to the purchase and maintenance of the Sentosa Cove Bungalow. The individual applicant will deal directly with SCPL regarding the purchase, resale and any other issues in relation to the Sentosa Cove Bungalow.

The sum of the amount actually paid towards the purchase of the Sentosa Cove Bungalow and the financial assets must not be less than SGD 5 million at the time of submission for final approval of permanent resident status as set out in Section C (9).

⁵ Applications from accompanying family members may be submitted subsequently. Upon approval of such application(s), the re-entry permit granted will be for a duration equal to the remainder of the validity period of the main applicant's re-entry permit.

⁶ Each parent and parent-in-law must individually complete an ICA Form 4.

⁷ Each unmarried child aged above 21 years shall complete his own application form and shall submit the form together with his applicant parent.

⁸ Alternatively, parents, parents-in-law and unmarried children above 21 years of age of the applicant are eligible to apply for Long-Term Social Visit Passes (LTSVP), which are renewable and tied to the validity period of the applicant's re-entry permit.

⁹ The Sentosa Cove Component comprises only the aggregate amount that has been paid up for the Sentosa Cove Bungalow within the 6-month period from the date of in-principle approval of PR status. Future payments under any deferred payment scheme which fall due after the 6-month period will not count towards fulfilling the Minimum Sum.

¹⁰ The designated account shall be in the name of the applicant or a trust where the applicant shall be the settlor of the trust. The designated account facilitates the tracking of the Minimum Sum.

¹¹ Where applicable, a Trustee may undertake the reporting requirement on behalf of each FI.

¹² All subsequent renewals of the re-entry permit are subject to the satisfactory assessment of ICA; the applicant is not required to comply with the terms and conditions of the Financial Investor Scheme after the initial 5-year period.

¹³ Assuming that asset disposal is at market value. If asset disposal is lower than market value, IRAS' adjudicated value will be used.

¹⁴ The applicant's citizenship application will be assessed by ICA with inputs from MAS and SCPL.