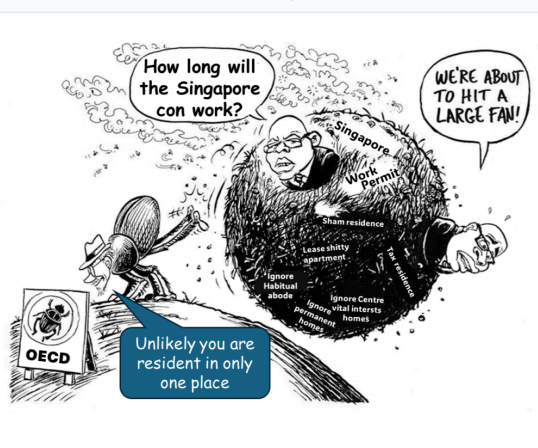

How long will the Singapore con work?
WE'RE ABOUT TO HIT A LARGE FAN!
Singapore Work Permit
Unlikely you are resident in only one place
OECD

Singapore government endorses the "sham residence CRS evasion scheme". Compliance-KYC staff are scared to be fired and ignore the OECD

Mark Morris
CRS and CARF expert. No, truly.

September 24, 2024

Comments

Like Comment Share

Add a comment…

No comments, yet.

Be the first to comment.

Start the conversation

Messaging

Typical conversations held with people who contact me from Asia

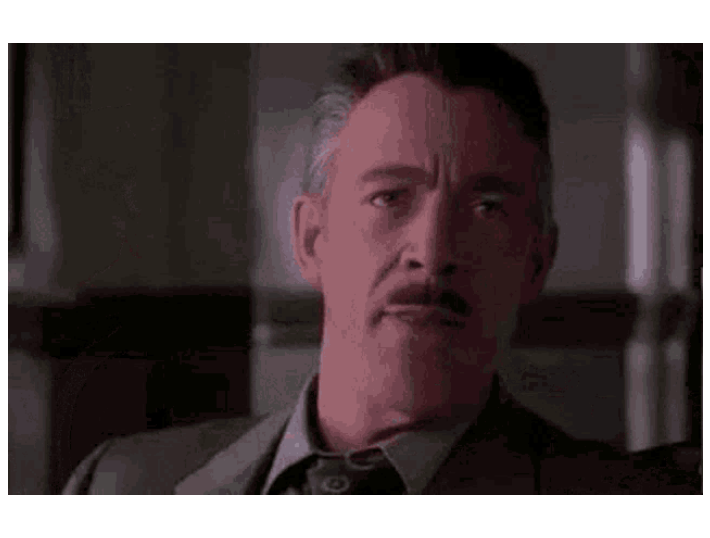
1. I'm an expat living in KL. I've got a few million with Singapore bank. I've got one of those dodgy Singapore work permit visas, so no reporting for CRS.
2. Broker in China, dealing with UHNWI living there. No-one needs a solution for AEoI becaus ethey all set up a family office in Singapore and they get a work permit visa.
3. Broker in Hong Kong, says no-one worried about CARF as they all have the Singapore work permit for Singapore. Does the bank count 183 days? 😅 He is still laughing off his chair.
4. Broker in Australia with a group of four business partners with a billion to invest. The clients are living in China but they all have the Singapore work permit. Do they live in Singapore? 😂 😂

The Singapore tax residence hoax must be the largest loophole for CRS, making those that shifted their accounts to US banks, seem like small potatoes. To boot, the scumbag compliance officers within Singapore FIs ALWAYS determine that the one and only sole tax residence is Singapore. Permanemt homes? Centre of vital interests? Habitual abode?.... WTF is that OECD residency gibberish. It ain't so in the CRS rules...

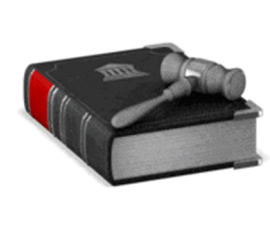
...BRAIN THE SIZE OF AN ORANGE... DON'T KNOW TRUTH FROM LIES.... ...YOU'RE HIRED!
TAX RESIDENCE COMPLIANCE TEAM
CV

The problem starts before due diligence when hiring compliance

What about the OECD addendum in 2018 warning that clients may submit documentary evidence that they stay only in one jurisdiction, whilst they have residencies in multiple other places? Good joke, now let me leave work early for a cocktail party...



The OECD considers as potentially high-risk CBI/RBI schemes, those that give access to a low personal income tax rate from foreign financial assets and do not require the individual to spend a significant amount of time in the jurisdiction. Although the Singapore work permit + TIN + apartment lease is not a pure RbI, it is a high risk jurisdiction that results in no CRS reporting without the individual having to spend a significant amount of time in the jurisdiction.



I cannot emphasise enough that a Singapore work permit / TIN for a HNWI is insufficient proof the individual is solely resident in Singapore. In fact, the work permit/TIN is highly indicative and suspicious that the individual is dual resident elsewhere, and that the OECD MC needs to determine the individual's true sole residence. If the 4 MC tie-breakers cannot resolve this, then there must be a mutual agreement between the two states. Let's see how many Chinese would agree to that resolution clause. Hint: none would agree because they are hiding the Singapore residence from their home tax authorities, which would trigger an OECD MCCA Exchange upon Request

The most important method to determine true tax residency is to apply the OECD / UN convention tie-breakers, especial centre of vital interests (CVI). The CVI criteria are a facts and circumstances test which requires an examination of external manifications of an individuals life style. This goes straight over the heads of all FI compliance-KYC staff.

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Regard will be had to his family and social relations, his
occupations, his political and cultural or other
activities, his place of business, the place from which he
administers his property, etc. The question that then
arises how widely the enquiry should go into the detailsof
the individual's life, particularly with the ominous
inclusion of etc. at the end of the sentence.
```

> Normally, there is no need to use the OECD Model Convention tie breakers on dual residence in normal circumstances.

> A (U)HNWI presenting a work permit as his sole justificstion for claiming Singapore residence is not a normal circumstance, and is the ultra reason to use the Model Convention to determine genuine residence

> FI compliance and KYC staff are too afraid to identify the genuine residency of the FI's clients as their employee's bulk of maintaining client's asset business depends on not reporting for FI.

> Else why go to effort of the sham residence

The sham Singapore residence scheme dwarfs the CRS evasion tactic of shifting financial assets to the USA.

- Singapore certainly tells the world it aspires to be compliant and tax transparent.
- Singapore gloats over the hundreds of billions of family office money flocking to Singapore.
- However, they keep their fat mouths shut about wealthy CRS avoiders, mainly from China, bypassing AEoI by simply obtaining a work visa and leasing a cheap furnished apartment but not living in Singapore.
- The Singapore Reporting Financial Institutions such as banks, funds or trusts in regard the visa + apartment lease + TIN as sufficient proof that the client is a resident of Singapore for CRS purposes
- The FIs in Singapore then "legitimately" don't report on their 'Singapore resident' clients because there is no "same-same" reporting for CRS. See OECD CRS FAQ Sec D Q1.
- If you can find one UHNWI Chinese with accounts in Singapore that are not "Singapore residents" for CRS, then I'll eat my hat.

The Reporting Financial Institutions, know no one going to audit this farce

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CRS documentary evidence of residence

- CRS Commentary par 150 - 162 Subparagraph E(6) – Documentary Evidence

 1. Subparagraph E(6) describes what is considered to be "Documentary Evidence" for purposes of the due diligence procedures described in Sections II through VII. It includes any of the following:

 a) a **"certificate of residence"** issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident.

 b) with respect to an individual, any valid identification issued by an authorised government body (for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes.

 b) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.

 1. Subparagraph E(6)(a) refers to a **"certificate of residence"** issued by an authorised government body of the jurisdiction in which the payee claims to be a resident. Examples of such a **certificate** include:

 * a **"certificate of residence for tax purposes"** (that indicates, e.g. that the account holder has filed its most recent income tax return as a resident of that jurisdiction);

 * **"residence information published by an authorised government body of a jurisdiction"**, such as a list published by a tax administration that contains the names and residences of taxpayers;

 * "residence information in a publicly accessible register" maintained or authorised by an authorised government body of a jurisdiction, such as a public register maintained by a tax administration.

> NOTE the CRS does not specify utility bill or lease of apartment, but rather the more onerous "identification issued by an authorised government body"

OK, so a Singapore Tax Identification number which is part of a sham work visa plus proof is documentary evidence. The lease of apartment of utility bill is merely a FIs add on requirement. What is missing is the identification card issued by government, but the work visa should cover that.

```
I cannot emphasise enough that a Singapore work permit  /
TIN for a HNWI is insufficient proof the individual is
solely resident in Singapore. In fact, the work permit/TIN
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from their home tax authorities, which would trigger an
OECD MCCA Exchange upon Request
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The infamous Singapore work permits used to avoid CRS

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Your PEP expires after 3 years. Your employer will have to
apply for an Employment Pass or S Pass on your behalf if
you want to be allowed to work in Singapore.
```

Step 1: Obtain a personalised Employment Pass valid for three years

- If your PEP is expiring, you will need to get an Employment Pass or S Pass to continue working in Singapore.
- You do not have to cancel the existing PEP for your employer to apply for the new pass.
- You may be required to pay income tax.

Click to see how piss easy to get the Personalised Employment Pass

- The Personalised Employment Pass is for high-earning Employment Pass holders and overseas foreign professionals. It is not tied to an employer and offers greater flexibility than an Employment Pass.

Step 2: Obtain a long-term lease for an apartment

- A furnished one-bedroom apartment can be rented on average for US$1,500 to US$3,500 a month
- Nudge nudge, wink wink, you must be any of the following to rent a flat or bedroom as a tenant.

- Non-citizen legally residing in Singapore who holds an **Employment Pass, S Pass, Work Permit**, Student Pass, Dependant Pass, or Long-Term Social Visit Pass.

Step 3: Dont move to Singapore

- You can remain a tax resident at home without the effort and pain of actually moving to Singapore.
- That's why this is a sham, con, hoax, scam.

Step 4: Move your undeclared loot to a Singapore FI, declaring your tax residence in Singapore

- Move your undeclared stash to a Singapore bank/Trust/ Investment Entitycompany owned by Singapore trust
- **Singapore compliance and KYC of FIs will gleefully ignore the plausibility that their wealthy clients using work visas are not solely tax residents in say China.**
- FIs will accept the tax residence of their new client in Singapore based on the "documentary evidence" of (i) The temporary work permit, and (ii) Living in a small, cheap crappy apartment for a billionaire and his family (pull the other leg)

Wink, wink we know our clients saying they are solely tax resident in Singapore is a lie, but hey a Singapore Government audit will accept this bullshit story

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Proof Singapore KYC compliance are stooges on identifying real residence

- OECD says to undertake enhanced due diligence on residence in high risk jurisdictions that person is using the residence as a way to avoid CRS

OECD describes how CBI/RBI (incl Singapore hoax work permit) schemes be misused to circumvent CRS reporting?

> CBI/RBI schemes can be misused to undermine the CRS due diligence procedures. This may lead to inaccurate or incomplete reporting under the CRS, in particular when not all jurisdictions of tax residence are disclosed to the Financial Institution. Such a scenario could arise where an individual does not actually or not only reside in the CBI/RBI jurisdiction, but claims to be resident for tax purposes only in such jurisdiction and provides his Financial Institution with supporting documentation issued under the CBI/RBI scheme, for example a certificate of residence, ID card or passport.

!Singapore compliance KYC staff should always have doubts regarding tax residencies of UHNWI using Singapore work permits to claim residency. !!

What about the bullshit 183+ days tax residence mythe

What should Financial Institutions do?

Sure, they will...

- Under Section VII of the CRS, a Financial Institution may not rely on a self-certification or Documentary Evidence if the Financial Institution knows or has reason to know, that the self-certification or Documentary Evidence is incorrect or unreliable.
- The same applies with respect to Pre-existing High-Value Accounts where a relationship manager has actual knowledge that the self-certification or Documentary Evidence is incorrect or unreliable.
- In making the determination whether a Financial Institution has reason to know that a self-certification or Documentary Evidence is incorrect or unreliable, it should take into account all relevant information available to the Financial Institution, including the results of the OECD's CBI/RBI risk analysis.
- As a result, where, taking into account all relevant information, the facts and circumstances would lead the Financial Institution to have **! doubts as to the tax residency(ies)!** of an Account Holder or Controlling Person, it should take appropriate measures to ascertain the tax residency(ies) of such persons.

 To the extent that the doubt is related to the fact that the Account Holder or Controlling Person is claiming residence in a jurisdiction offering a potentially high-risk CBI/RBI scheme, FIs may consider raising further questions, including:

- **Did you obtain residence rights under an CBI/RBI or Singapore work permit scheme?**
- Do you hold residence rights in any other jurisdiction(s)?
- Have you spent more than 90 days in any other jurisdiction(s) during the previous year? **(Check passports you dum dums)**
- In which jurisdiction(s) have you filed personal income tax returns during the previous year?
- The responses to the above questions should assist Financial Institutions in ascertaining whether the provided self-certification or Documentary Evidence is incorrect or unreliable.

Use the OECD Model Convention tie breaker rules in cases where you doubt residencies

- There is no need to use the OECD Model Convention tie breakers on dual residence in normalcircumstances.
- A (U)HNWI presenting a work permit as his sole justification for claiming Singapore residence is the ultra reason to use the Convention to determine genuine residence
- Compliance-KYC staff are too afraid to reveal the genuine residency of the FI's clients as this bulk of maintaining client's assets depends on not reporting for FI.

Here's an overview Article of the OECD Model Convention of how tie-breaker rules typically function:

Article 4(2) Paragraph 2. This paragraph relates to the case where, under the provisions of paragraph 1, anindividual is a resident of both Contracting States.

I. Permanent Home:

- The first test that is applied to determine if an individual is a resident of a particular state is to identify if the individual has a permanent home. The concept of a "permanent home" is a key criterion in determining tax residency under Article 4 of the OECD Model Tax Convention.
- According to the OECD guidelines, an individual is considered a resident for tax purposes in the state where they have a permanent home available to them.
- The term "permanent home" generally refers to a place of dwelling (house, apartment, owned or rented) that is continuously available to the individual, not necessarily owned by them, but it must be a fixed and habitual abode. If owned house is rented out, then its not a permanent home.
- This means you have the keys to the front door which can be used 24/7/365.
- The availability of such a home is a factual question and does not depend on the individual's intention to retain it.

II. Centre of Vital Interests: (Expression of CVI in Art 4(2) of the OECD Model Convention

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Domestic law or international fiscal meaning?

The concept of CVI exists in the domestic law of some, but
not all States. However the OECD MC the domestic law is not
followed, because if one state does not include CVI, then
it cannot be used as a tie breaker rule.
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- When an individual finds themselves with a permanent home in both states involved in a tax treaty or neither of the states, the residency is determined based on the centre of vital interest.
- Regard will be had to his family and social relations, his occupations, his political and cultural or other activities, his place of business, the place from which he administers his property, **etc.**
- The question that then arises how widely the enquiry should go into the detailsof the individual's life, particularly with the ominous inclusion of etc. at the end of the sentence.
- It determines the state with which his **personal** and **economic relations** are closest.
- It involves a comprehensive analysis of multiple factors aimed at discerning the jurisdiction most closely intertwined with the individual's life and activities.
- Issues of what constitutes family (divorced, grandparents, grown up children)
- The CVI criteria are a facts and circumstances test which requires an examination of external manifications of an individuals life style. These are based on objective factors.
- Considerations based on personal acts of an individual must receive special attention.
- Therefore it is extremely difficult for evaders to fabricate or manipulate most of the Centre of Vital Interest Personal Relation documentation, such as children school, close family residence, gym membership, car registration, car licence, dentist and doctors, etc.
- The MC does not say whether Personal relations take precedence over Economic relations.

III. Habitual abode:

- This shows which of the 2 countries you live in regularly, normally or customarily. The test the frequency, duration and regularity of stays that are part of your settled routine for each country.
- If you cannot determine if you have a habitual abode in either country, or you have a habitual abode in both countries, move to the 'nationality' test.

IV. Nationality:

- Generally, you're resident of a country where you're a national. However, it's possible to have dual nationality or be a national of neither country.
- The double taxation agreement may give the tax authorities the information they need to agree if this test is met.

V. Tie breaker does not resolve dual tax residency:

- The result of the ineffectiveness of the tie-breaker rules is that the situation of double residence will persist, to tax the individual on their worldwide income, resulting in a situation of double taxation. There is a Mutual Agreement Procedure which would take years for the tax authorities to communicate with each other to resolve the double taxation.

By the way, when I call Singapore compliance-KYC staff "stooges", is it...? stooge / stuːdʒ/ noun 1. Derogatory. a subordinate used by another to do unpleasant routine work. 2. a performer whose act involves being the butt of a comedian's jokes, viz the 3 stooges.

===

Where Singapore compliance and KYC staff go off the rotten rails and fall in line with the bullshit that the bulk of their HNWI clients are resident in Singapore for CRS

Singapore FIs are happy as a pig in shite when their compliance "determines", by hook or crook, that their HNWI clients from China are now "resident" in Singapore, whether true or not.

Permanet home

- This is where the bullshit starts because the UHNWI Chinese national that has a work permit in Singapore and rents a cheap apartment, will dishonestly not reveal his villa(s) in China.
- Any AML-KYC who believes a UHNWI lives in a crappy apartment in Singapore and nowhere else, needs to buff up their curriculum vitae for a job suitable for their skills.
- Ask to see their passport travel stamps

Center of Vital Interest

- There is no difference between the OECD MC, the UN model convention, and the US model convention.
- This test will likely root out 95% of the bullshit claimed Singapore residency, despite showing a work permit, tax ID and utility bill/lease.
- CVI tries to determine which country personal and economic relations are closest. There is no weighting, so if Personal is closer in country A and Economic relations is closer in country B, then the dual resident until the next tie breaker rule (Habitual Abode)

Personal relations

This is the main sub test that will catch th evader as its difficult to clone falsely. The individual should not have a subjective choice over their CVI. The CVI should so far as possibl, depend upon subjective, extremely observable criteria.

The commentary to the OECD model at par 15 states "the circumstance must be examined as a whole". This suggests a broad examination of the circumstances of an individual's life

1. The question arises how widley th enquiry should go into the details of an individual's life, particularly with the ominous inclusion of "etc." at the end of the sentence.
2. Where does spouse and chikldren live (analyse nucleur family and grown up children)
3. Where do children attend school
4. Where is main doctor and dentist located
5. Political and cultural activities or other activities, etc.
6. Where obtian driver's licence
7. Where are cars registered
8. Where medical insurance is obtained
9. Where you carry out leisure activities

Economic relations

- Commentary to the OECD MC par 15 refers to "his place of business, the place from which he adminstrates his property.
- Commentary to the MC gives no guidance as to whether preferential weightings should be given to some criteria, other than "Consideration must be given to personal act, which must be receive special attention".
- It is well worth reading this article on "The expression of Centre of Vital Interest"

===

Which of the Singapore employment visas is easiest to obtain for wealthy CRS swindlers?

Not really wanting to live all the time, if any time at all, in Singapore?

- Out of all of Singapore's work permits and passes, the one which offers the most flexibility is the Personalized Employment Pass.
- However, the Personalized Employment Pass also has the strictest eligibility requirements *(not if you're wealthy dumbo)*

Who is Eligible to Apply for the Personalized Employment Pass?

You are eligible for the Personalized Employment Pass for Singapore if you meet the following requirements:

- You are already in Singapore with an Employment Pass and you have a monthly salary of at least S$12,000.
- Your last fixed monthly salary at your job overseas (which you received at most six months before applying for the PEP) was at least S$18,000.

You cannot apply for a Personalized Employment Pass if:

- You have an Employment Pass which you received under the sponsorship scheme (if the company you work for is not registered in Singapore).
- You are a shareholder, partner, or owner in a company registered under ACRA (Accounting and Corporate Regulatory).
- You a freelancer, journalist, editor, sub-editor or producer.

How is the Personalized Employment Pass different from a regular Employment Pass?

The Personalized Employment Pass offers a lot more benefits than a regular Employment Pass does. For example:

- You can work in any sector.
- You are not tied to a specific employer.
- If you change your job, you do not have to apply for a new work Pass. You do, however, have to notify the Ministry of Manpower.
- You can stay in Singapore and look for a job for up to six months, even if you are unemployed.

What are the Conditions and Requirements for the Personalized Employment Pass?

The Singapore Personalized Employment Pass offers a lot of flexibility in regards to the work you take up and who you work for. However, you must abide by a certain set of requirements and conditions as well.

The requirements for a PEP include:

- You cannot be unemployed in Singapore while you hold a PEP for longer than six months. If you cannot find a job within six months, your PEP will be cancelled.
- You must make a minimum of S$144,000 per year, regardless of how many months you've worked for.
- You must notify the Ministry of Manpower for any changes to your personal information or status, such as: Starting a new job. Leaving a job. Changing your contact details, such as your address.
- You must notify MOM about your salary details by 31 January of every year.

How can I Apply for the Personalized Employment Pass?

- Since the PEP is not tied to a specific employer, you do not need one to apply on your behalf – you apply for the Personalized Employment Pass yourself.
- You must be in Singapore when you apply for a PEP. If you are not already an Employment Pass holder, this means you can also apply for a Personalized Employment Pass while holding a Short-Term Visit Pass.
- If you are subject to Singapore visas, you may have to obtain an entry visa beforehand

Required Documents for the Personalized Employment Pass

- When you apply for a Personalized Employment Card, you will have to submit several supporting documents.
- All the documents you submit have to be in English. If they are not, you must have them translated by an official translator.

Required documents when you apply for the PEP

When you are applying for your Personalized Employment Pass, you must submit the following documents:

- Photocopies of the relevant pages of your passport, such as: Your personal details Passport number Issue/expiry date Any pages which show changes to your passport or personal details.
- Photocopies of your educational certificates.
- Photocopies of all current and previous employment contracts.
- A document detailing your employment history.
- Bank statements and salary slips from the past three months.
- Your latest tax statement.

Requirements when you get the pass issued

When you request to get your pass issued, you will need:

- Photocopies of your passport details.
- A Short-Term Visit Pass or an immigration pass.
- Details about your place of residence in Singapore.
- An address where they will send you your Pass Card.
- Contact details of at least one person you have authorized to receive your Pass delivery details (via SMS or email).
- Your Disembarkation / Embarkation card.
- A completed declaration form along with your IPA letter.

Can I Bring my Family Members With Me if I Have a Personalized Employment Pass?

- Yes, all holders of a Personalized Employment Pass are allowed to bring their family members to live with them in Singapore.
- Depending on your relationship with your family member, you can bring them through:
- The Dependent's Pass, available to: Legally married spouses (husband/wife) Children under 21 who are not married.
- The Long Term Visit Pass (LTVP), available to family members who do not qualify for the Dependent's Pass: Common-law spouse. A child over 21 if the child has a mental or physical handicap making them dependent on you. Unmarried step-child under 21. Your parents.
- You can apply to bring your family members with you at the same time you submit your PEP application. You can also apply to bring them after you are already in Singapore.

Can I Renew a Personalized Employment Pass?

- No, you cannot. The Personalized Employment Pass has a validity of three years, and it can't be renewed.
- After your PEP expires, your employer will have to apply for an **Employment Pass or S Pass** on your behalf if you want to be allowed to work in Singapore.

Conclusion

Hire better staff

========================END========================

Mark Morris
CRS and CARF expert. No, truly.

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