



MinLaw / SLA Announcement

1 July 2021

Dear REDAS Members,

MinLaw / SLA Announcement on Refinements to QC Regime

The Ministry of Law (MinLaw) has made **refinements to the criteria for exemption from the Qualifying Certificate (QC) regime for publicly listed housing developers with a substantial connection to Singapore.**

With effect from 29 June 2021, there will be two refinements to how the shareholding interest criterion is assessed.

- For shares that are held through whitelisted nominee companies;
- Collective interest held by members of the same family:

Please refer to the [attached press release](#) for more information.

If members require information on application procedures, you may contact SLA at SLA_Enquiry@sla.gov.sg or 1800-323-9829. The application form can also be obtained from SLA's website at www.sla.gov.sg.

Thank you.

With best regards

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PRESS RELEASE

Refinements to Criteria for Publicly Listed Housing Developers with Substantial Connection to Singapore to be Exempted from Qualifying Certificate Regime

1. The Ministry of Law (MinLaw) has made refinements to the criteria for exemption from the Qualifying Certificate (QC) regime for publicly listed housing developers with a substantial connection to Singapore.
2. Under the Residential Property Act, any housing developer that is not considered a Singapore company must apply for a QC when it purchases residential land for development, other than from the Government. Such developers are subject to completion and disposal deadlines, to ensure that they do not hoard and speculate in residential land.
3. MinLaw had announced that with effect from 6 February 2020¹, publicly listed housing developers can apply for exemption from the QC regime on the basis that they have a substantial connection to Singapore. Applications will be assessed by reference to the following criteria:
 - a. Incorporation in Singapore;
 - b. Primary listing is on the Singapore Exchange and principal place of business is Singapore;
 - c. The chairperson and the majority of the company's board are Singapore citizens;
 - d. A significantly Singaporean substantial shareholding interest² in the company ("shareholding interest criterion"); and
 - e. Track record in Singapore.

¹ Please refer to www.mlaw.gov.sg/news/press-releases/publicly-listed-housing-developers-withsubstantial-connection-to-singapore-to-be-exempted-from-qualifying-certificate-regime for more information about the exemption criteria.

² This is defined as either (a) substantial shareholders who are Singapore citizens, Singapore companies or Singapore Government entities holding at least 50% interest in the voting rights and issued shares in the company; or (b) the largest single substantial shareholder is a Singapore citizen, Singapore company or a Singapore Government entity and holding at least 25% interest in the total voting rights and issued shares in the company, and the largest single foreign substantial shareholder holds not more than 25% of the voting rights and issued shares in the company. Substantial shareholders refer to persons or companies who have an interest in at least 5% of the votes attached to all the voting shares in the company or class of shares.

4. MinLaw will make two refinements to how the shareholding interest criterion is assessed. The refinements take into account feedback received since the introduction of the exemption framework last year.

- a. Shares that are held through whitelisted nominee companies: In instances where shareholders hold their shares through nominee companies, these shares will now be counted towards fulfilling the shareholding interest criterion if
 - i. The shares are held through a whitelisted nominee company; and
 - ii. The Singaporean substantial shareholder(s) retains control over the voting rights to the shares held through the whitelisted nominee company.

The whitelist of approved nominee companies will be published on the Singapore Land Authority's (SLA's) website at www.sla.gov.sg, and will be reviewed and updated from time to time.³

- b. Collective interest held by members of the same family: A housing developer will be considered to have a significantly Singaporean substantial shareholding interest if Singaporean shareholders from the same family collectively form the largest substantial shareholder and hold at least 30% interest in the total voting rights and issued shares in the company. At least one of the shareholders in the family has to be a substantial shareholder and identified clearly as the primary shareholder. Further, the largest single foreign substantial shareholder must hold not more than 30% of the voting rights and issued shares in the company. Only direct interest or interest held through companies that are fully owned by family members will be considered; interest held through nominee companies will not be considered.

5. The changes will be implemented with immediate effect. Applications may be submitted to the Controller of Residential Property. For more information on application procedures, please contact SLA at SLA_Enquiry@sla.gov.sg or 1800-323-9829. The application form can be obtained from SLA's website at www.sla.gov.sg.

**MINISTRY OF LAW
SINGAPORE LAND AUTHORITY
29 JUNE 2021**

³ A nominee company will be considered favourably for whitelisting if: (a) it is incorporated in Singapore; (b) its parent company is a licensed Monetary Authority of Singapore (MAS) financial institution; and (c) its principal activity listed with the Accounting and Corporate Regulatory Authority (ACRA) is "trustee, fiduciary and custody services firms (including nominee companies, trustees and REIT trustees)".