Center for International Development at Harvard University

A Comparative View of Immigration Frameworks in Asia: Enhancing the Flow of Knowledge through Migration

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I. Executive Summary

Sri Lanka's "Vision 2025" envisions the country as an export-oriented hub in the Indian Ocean, with a diversified economy that capitalizes on strong trade and investment linkages between Sri Lanka and the rest of the world. In this context, immigration reform in Sri Lanka could be a powerful tool to help facilitate the inflow of knowhow that is needed to drive this socio-economic transformation. Research conducted at the Center for International Development at Harvard University (Harvard CID) shows that tacit knowledge (or "knowhow") is key to the process of economic development. Countries that grow sustainably manage to diversify the economic activities that their companies and people know how to do competitively. Because it is easier to move people with specialized knowhow than it is to move knowhow from one brain to another, countries can and do use immigration policy strategically as a tool to attract the talent and that skills that their economies need.

Sri Lanka's Department of Immigration and Emigration completed a Gap Analysis (2016) that identifies a number of needs for updating Sri Lanka's immigration system, which is currently governed by the Immigration and Emigration Act of 1948, in order to meet contemporary needs. In order to inform the Department of Immigration and Emigration of various options for meeting these needs, we conducted a comparative review of immigration policies and regulatory frameworks in six Asian countries, namely: Indonesia, Vietnam, Thailand, Malaysia, Hong Kong, and Singapore. We focused our attention on the types of visas and supporting policies that countries use to attract foreign individuals to contribute to their economies. We organized the findings of our comparative review around three main findings from the Gap Analysis - (a) the need to have more visa categories, (b) the need to cater to investors, and (c) the need to confer to Sri Lankans abroad the right to permanent residency – as well as several additional considerations that were not addressed in the Gap Analysis.

We find that the immigration policies of the six countries vary across numerous dimensions as each country prioritizes the talents, skills and resources it needs to attract from abroad in different ways. These variations provide a range of examples that may be relevant to decision-makers in Sri Lanka. Additionally, we find an emerging pattern among the six countries where more developed economies tend to have more elaborate immigration systems and target a more

diverse set of people. By looking at available data, we also confirm that more elaborate immigration systems are closely associated with more actual immigration, higher presence of foreign firms, and higher levels of foreign direct investment (FDI) among this group of countries. The causation between higher levels of these things and more elaborate immigration systems likely runs in both directions: the immigration systems advance in response to the diversity of immigrants and more advanced immigrations systems facilitate larger volumes of immigration. We hypothesize that these patterns are the natural result of countries adapting their immigration systems over time to meet evolving needs as their economies become more diversified and more complex.

Our comparative analysis focuses most of its attention on immigration policy as a means to attract workers, investors, and entrepreneurs and the various approaches that the countries take toward attracting some or all of these types of people. We also pay special attention to when and how the countries offer paths to permanent residency and citizenship. Some countries also provide intriguing examples of specific policies related to tourists and retirees as well as varying approaches on allowing for dependents to reside in the country. Finally, countries vary in the degree to which their immigration processes are streamlined and the clarity of the public information that they make available to potential visa applicants.

Based on the comparative analysis, together with the issues identified by the Gap Analysis, it is possible to identify a few principles around which future immigration reform in Sri Lanka should be organized. Without getting deep into specifics, the final section of this paper recommends principles that could help to guide Sri Lanka's immigration reform moving forward. We would like to emphasize that this paper does not aim to provide specific recommendations on the organization of visa categories and subcategories for Sri Lanka, but rather aims to provide a broad picture of findings from our comparative analysis and identify emerging principles. We hope that it will complement the ongoing and deliberative process for designing specific policies in Sri Lanka, and we stand ready to continue to assist the government in this effort.

II. Context in Sri Lanka: Immigration as a Tool for Economic Transformation

Vision 2025 for Sri Lanka

The Government of Sri Lanka's "Vision 2025" envisions a path forward for Sri Lanka where all of its citizens gain more opportunity and higher levels of well-being while maintaining the country's core values. The vision wisely recognizes that this path must include positioning Sri Lanka as "an export-oriented hub at the centre of the Indian Ocean" but also that an integrated set of constraints has prevented the country from transitioning to this future. Although Sri Lanka has many of the building blocks needed for this transition - chief among them, a healthy, educated and innovative workforce and a strong tradition of social cooperation and environmental protection - the country's export growth has consistently lagged behind its overall growth rate, leading to recurrent macroeconomic crises. "Vision 2025" correctly recognizes that this problem is driven by a failure of the Sri Lankan economy to diversify into new economic activities that can export goods and services to the rest of the world. New jobs must grow together with the old jobs in order to raise incomes for everyone. This is the only way that household incomes can grow, economic growth can be made sustainable, and the whole economy can become more resilient.

Complementing numerous priority actions to resolve internal barriers to private investment and economic diversification, "Vision 2025" also recognizes that modern economies grow by attracting top companies, skills and ideas from abroad to enhance the productivity of companies and the workforce at home. The vision states: "In order to advance toward a diversified, high value tradable sector growth process, alongside domestic private investment, we must attract the right type of FDI that brings in modern technology, access to GPNs and managerial know-how."

Immigration and Economic Development Nexus

Earlier this year, Harvard CID circulated a note on the subject of "Immigration and Economic Transformation" that was highly consistent with this vision. We stressed the importance of "moving brains" in order to gain the type of knowhow that Sri Lanka needs to diversify the economy. In other words, the "right type of FDI" that Sri Lanka is looking for will require the movement of people - the investors, managers and skilled individuals that top companies need to initiate operations in a new place. These companies will employ and train Sri Lankans, but they will never move to Sri Lanka in the first place if they cannot bring the knowhow embodied in their people with them. In the note, we described the other channels through which immigration (and the accompanying movement of brains) has been critical to the economic transformation of countries. Because immigrants arrive with diverse types of experience and education, they tend to bring in new skills, ideas, finance, and a large appetite for risk. For all of these reasons, immigrants show high levels of entrepreneurship and a special ability to help diversify the economies of their host countries. Additionally, in country after country, a certain type of immigration has shown itself to be especially beneficial: returning members of a country's diaspora. People who emigrated or may have been born abroad provide a unique mix of knowhow when they return to the country of their roots. They have skills, experience and business connections from abroad, while they also maintain knowledge of systems and culture, as well as connections at home.

We emphasized the potential for immigration to contribute to economic transformation in Sri Lanka in particular. Since Sri Lanka has very low levels of immigration but very high levels of emigration, the country can be thought of as a net exporter of human capital—and a very big one. So, while Sri Lanka faces a persistent trade deficit in goods and services, it maintains an enormous trade surplus in terms of its people and knowhow.[1] Meanwhile, Sri Lanka's immigration policies and processes are very closed in comparison to many other relevant comparator countries. Many countries target their immigration policies to attract the type of individuals they feel they need - be that investors, entrepreneurs, high-skilled or specially-skilled individuals, students, retirees, returning members of their people abroad, and more. Several countries target all of the above. Some of the main tools that they use to attract these immigrants are special visa programs, a path to permanent residency, a path to citizenship, and a generally flexible immigration framework aimed to allow individuals to explore various opportunities and shift between activities as opportunities arise.

[1] The majority of Sri Lankans abroad emigrate for low-skill work, but the country also "exports" many more skilled workers than it "imports". For example, a back of the envelope calculation suggests that there are at least two orders of magnitude more Sri Lankan science and engineering professionals and technicians abroad than there are foreign engineers in Sri Lanka. Global Sri Lankans are currently living across a wide range of countries with advanced economies and working in a wide range of professions.

III. Sri Lanka's Gap Analysis and Comparator Immigration Frameworks

According to the Department of Immigration and Emigration's Gap Analysis of December 2016, a number of adjustments are needed to fill the gaps in the existing regulatory framework governing immigration, bring relevant policies up to speed with the requirements of the new economic development strategy, and effectively reform the immigration system into an instrument of socio-economic transformation. In this section, we use three Gap Analysis findings that call for new policies and interventions in the regulatory framework pertaining to increasing the number of Sri Lanka's visa categories, providing special treatment for investors, and engaging Sri Lankans abroad. Our review of immigration policies and regulatory frameworks examines six Asian countries, namely: Indonesia, Vietnam, Thailand, Malaysia, Hong Kong, and Singapore. We focus on immigration regulations that have to do with the attraction and promotion of investments, innovation, skills and talent. The objective of this review is to present decision-makers in Sri Lanka with a broad picture of practices that they can draw from other countries when advancing their reform agenda.

Need for more visa categories (Gap Analysis finding 44)

- *To enable the law to provide effective broad policy direction on visas, there is a need for different categories of visas. There could be three categories – visitors, temporary resident, and resident.*
- *Visitors may include tourists or business visitors and transits – such persons may not work in the country and are generally limited to short stay durations – 1 month or 3 months*
- *Temporary residents may have limited work rights (diplomats, international agency staff) and may have more extended period of stay – 1 year or more*
- *Residents may be permitted to work and stay for extended periods*
- *The revised law should provide for different visa categories, give broad details of the requirements to qualify for each and allow for detailed requirements and conditions to be prescribed in regulations. Regulations will define the sub-categories of visas (such as visitor visas for medical treatment, temporary residence for students, etc.) and specify in*

some detail the qualifications, requirements and conditions applicable to each sub-category.

This finding of the Gap Analysis recognizes the broad need for Sri Lanka's immigration system to facilitate more types of immigration and utilize varying visa durations (visitor, temporary resident, and permanent resident). The finding does not provide guidance on what types of immigrants Sri Lanka should attract in the temporary and permanent visa categories. Our analysis of the six countries across East Asia indicates that there is large variation in the number of different visa categories and specificity of visa categories that countries offer. Some countries, namely Singapore and Hong Kong, have quite elaborate systems with many specific subcategories to address diverse backgrounds and skill levels. Other countries, such as Thailand and Indonesia, have few visa categories covering a variety of purposes.

A pattern emerges from the six countries studied in that countries appear to increase the number of visa categories that they use as their level of development increases. This may be the natural outcome of countries needing increasingly different types of immigrants to meet the evolving human capital needs of a diversifying economy. Moreover, as economies develop, they seem to move away from policies that strictly *authorize* the entry of foreign labor, talent and capital and move toward policies that *promote* these flows. While a sample of six countries is too small to infer a universal trend, there is a clear pattern among the countries studied. Poorer countries primarily focus immigration policy around skilled workers only, and they make moves to streamline the process and attract more types of workers over time as the private sector grows and employers demand different types and levels of skills. In part driven by higher inflow of investments, the more economically advanced countries in our sample also tend to have more sophisticated regulation of investor visas. These countries move to thinking about entrepreneurship, as a separate category from investors, as a source of innovation as their economies become more diversified. They also incorporate policies to attract and retain talented individuals, even when these do not have specific job offers. A similar pattern can be seen in the policies that countries use to make immigration more attractive in the long-term – most commonly through allowing for permanent residency and creating a path to citizenship.

We can compare the countries on how they approach **employment related visas** before moving on to other visa categories and supporting policies.

- In Indonesia, domestic companies that face skill shortages are able to hire foreign workers with particular skills that are in short supply in the country. Almost all categories of foreign workers are subject to an extremely cumbersome immigration process.[2] Companies operating in services, trade and consulting that are interested in hiring foreign skilled workers are subject to additional procedural scrutiny by the Ministry of Manpower. On the whole, Indonesia is an example of a country that does not distinguish between different types of foreign workers[3] in its policies and continues to rely on an unwieldy process.
- Vietnam, although poorer than Indonesia in terms of GDP per capita, has more visa categories, larger FDI inflow as a share of GDP, and has initiated more recent reforms to improve its immigration system. In 2015, for instance, Vietnam increased the number of visa categories from ten to twenty, in order to allow for more clear specification of the purpose of visit. Vietnam has a general foreign worker visa (LD), while there are also some subcategories.[4] In most cases, potential workers need to have a Vietnamese company sponsoring them. Domestic companies are only permitted to recruit foreign employees for jobs as managers, executives, experts, and technicians, provided that Vietnamese employees cannot meet the demand for these qualifications. Foreign companies in Vietnam can also hire foreign workers, but only upon explaining their need to do so and receiving prior approval in writing from the state. In this way, Vietnam makes it possible for skilled foreign workers to enter the country, but does not offer a clear migration path for unskilled and low-skill workers.

[2] First, the company in need of foreign labor must pass an interview with the Ministry of Manpower in order to acquire Foreign Manpower Employment Plan approval (RPTKA). Then, the foreign workers (for short term and long term work contracts alike) need to obtain a work visa (IMTA). If the foreign worker is applying from outside Indonesia, they need a pre-working permit that would allow them to enter the country. Once in the country, they need to apply for IMTA, a limited stay permit (VITAS), a limited stay permit card (KITAS), a re-entry and re-exit permit (MERP) and conduct a civil registration (i.e., obtain a residential card). IMTA costs $100 per month (e.g., $1200) per year. It is an annual visa, and each subsequent renewal is equally costly. Each other permit/visa carries additional costs.

[3] One exception is the availability of a six-month "Impresario Visa" for foreign artists.

[4] The subcategories include the DN visa for when a foreign works for a Vietnamese company and the NM visas for expats working in project offices, foreign NGOs, or other foreign economic, cultural or professional organizations.

- Thailand grants short-term work visas (three-months or one-year), which can be renewed, to applicants who wish to take up employment there. In addition to obtaining the visa, a worker also needs to obtain a work permit issued by the Ministry of Labor. In order to qualify for a short-term work visa in Thailand, applicants must show proof of their individual or household financial solvency and pay a fee. Under the category of work visas, there are also teacher visas for individuals who intend to take up employment as school teachers at any level below university. Separately, there are short-term "O Visas" for individuals who work or volunteer in NGOs.
- In Malaysia, a company must be registered with the Companies Commission of Malaysia and meet capital requirements in order to employ foreign workers. Malaysia allows companies in certain sectors to apply for a temporary employment pass on behalf of eligible applicants to work in the country for a maximum of five years. Workers that enter through this process are subject to tight restrictions.[5] For high-skilled workers, Malaysia offers additional immigration channels, with varying durations based on education, experience and salary received in Malaysia, and with fewer restrictions. These workers are allowed to bring dependents to the country. Finally, Malaysia has a 12-month "Professional Visit Pass" for foreigners with acceptable professional qualifications that provide or undergo practical training with a Malaysian company on behalf of an overseas company. Malaysia also has a Work and Holiday visa program (valid for one year) for Australian citizens that allows them to work while on holidays there.
- Hong Kong maintains a broad set of categories and subcategories to target high-, medium- and low-skilled workers, whether employed or self-employed. There are two separate immigration channels for high-skilled workers. First, professionals with a job offer may enter under the General Employment Policy, which has no sector-specific restrictions, so long as several key requirements are met.[6] Second, the Quality Migrant Admission Scheme is a quota-based entrant scheme that seeks to attract highly skilled or talented persons that do not yet have a job offer. These applicants are judged according to two points-based tests that prioritize individuals who can enhance Hong Kong's economic

[5] Temporary workers are not allowed to bring dependents, cannot change jobs or employers without permission from the Ministry of Home affairs, and are prohibited from marrying local residents or other migrant workers.
[6] These requirements include: a job offer relevant to academic qualifications or work experience that cannot be readily taken up by the local workforce, with a remuneration package commensurate with the prevailing market rate, a good education background, technical qualifications or proven professional experience.

competitiveness. Additionally, there is a “Non-Local Graduates Visa” that regulates the entry and stay of foreign individuals who have obtained an undergraduate or graduate degree in Hong Kong. The country has a separate process to admit workers at the technical level and below (the “Imported Workers” subcategory) and a special process for domestic helpers that is contingent upon the financial status of the employer. Hong Kong also offers a “Training Visa” that allows applicants to enter for a limited period (no more than one year) for training or to gain special skills not available in their home country. Finally, like Hong Kong also has a quota-based “Working Holiday Visa” valid from six months to one year, which allows individuals from selected countries to take up short-term employment while visiting Hong Kong as a tourist.

- In most cases, Singapore requires companies to apply on behalf of foreign workers they wish to employ and classifies work pass categories by skill level (based on education and experience) and salary level. The “Employment Pass” allows foreign professionals, managers and executives to work in Sri Lanka for up to three years while also providing a path to permanent residency. There is also an option for very high-salary foreign workers to gain a “Personalized Employment Pass” that allows them to work in Singapore without being tied to an employer. Mid-level skilled staff may apply for the “S Pass,” a two-year renewable visa that can be renewed for an additional three years and also provides a path to permanent residency. Singapore also offers a renewable work permit for semi-skilled foreign workers from certain pre-approved countries to work in the construction, manufacturing, and marine shipyard, process or services sectors. Like Hong Kong and Malaysia, Singapore has a “Work Holiday Visa” for people from select countries, which lasts for six months. Singapore also has a “Miscellaneous Work Pass” valid for up to 60 days that can be secured through a local employer or sponsor that covers a wide range of short-term work activities. Finally, Singapore also has additional visa categories that apply specifically to foreign domestic workers, confinement nannies, performing artists, and foreign professionals undergoing practical training.

Lack of capacity to facilitate significant overseas investors (Gap Analysis finding 39)

Finding 39 of the Gap Analysis identified the following needs:

- *Sub-category for investors and streamlined treatment at the border*
- *Regulations under the revised law should allow streamlined arrival and departure processing of travelers of significant interest to the country. It is recommended that permission be obtained from the Government following a policy decision with regard to such facilitation of investors. (Allow for some form of VIP treatment – expeditious processing.)*

Moving from workers to investors, we found that five out of the six countries that we reviewed have some type of **investor visa** category in their immigration policies. A few of them also offer a separate **entrepreneur visa** category. Singapore, which has one of the most extensively developed immigration policies of the group, also has a subcategory for **innovators**. As noted in the Gap Analysis, Sri Lanka does not have a separate subcategory for investors, although investors are covered under general business visas, typically facilitated by the BOI (see e.g., US State Department, 2017).

Sometimes, a country's investor visa is tied to a minimum capital requirement (MCR), either passive (i.e. deposited within the banking system, as in the case of Malaysia) or active (i.e. with an active establishment of a company, as in the case of Indonesia). MCRs are one way to judge whether an investor is credible and thus deserving of a special visa. Among the reviewed countries, MCRs vary and they often are sector-specific. Countries also require varying levels of business documentation or past success in order to determine the credibility of the investor. The most exemplary investor visa systems combine the use of MCRs with other methods for assessing the economic potential and benefits that investment or entrepreneurial proposals aim to bring, in other words, MCRs do not have to be the only mechanisms for screening investment or entrepreneurial visa applications.

- Indonesia uses temporary stay permits (ITAS), temporary stay permits cards (KITAS) and permanent stay permit cards (KITAP)[7] for investors. Investors are only one of many

[7] One is eligible for ITAP (permanent stay permit) and KITAP (permanent stay permit card) after three consecutive years of KITAS. ITAS/KITAS and ITAP/KITAP serve the purpose of regulating the same type of stay (temporary

categories regulated under the ITAS/KITAS visa category. Others include foreign experts, foreign researchers, dependents of ITAS-holders and retired foreign citizens. In this sense, Indonesia does not have a separate investor visa. Indonesia, however, regulates the conditions under which a foreign citizen could start a company in the country, and hence apply for ITAS as a "foreign investor". Such investor will have to either open a representative office (only for market research a local representation but no commercial activity, or open a limited liability company. The minimum capital requirement for opening an LLC is $190,000, and the planned investment amount must be a minimum of $750,000 in most sectors.

- Vietnam has a visa for investors and has recently extended the residence permit associated with it from one year to five years. This visa requires foreign citizens to either establish an LLC or to play a significant role in one. Vietnam does not impose MCRs in most sectors. Exceptions are for real estate, where there is a MCR of $880,000 and mutual insurance organizations, where there is a MCR of $440,000.
- Thailand offers a "Temporary Investor Visa" to investors of projects approved by the Board of Investment of Thailand.[8] It does not appear that there is a MCR associated with this visa. Other interested investors must use normal business visas (three-months, one-year or three-year) to pursue business activities in the Kingdom. Any such investor interested in working in Thailand must also apply for a work permit. In order to facilitate and expedite visa and work permit processing, Thailand has established a One Stop Service Centre to better facilitate the processing of work visas and permits for a wide range of visa applicants, including investors.
- Malaysia allows foreign investors to incorporate a private limited company in the country with 100% ownership in most sectors.[9] Once the business is registered with the Companies Commission of Malaysia, the foreign investor can apply for a renewable employment pass as a "Director/Shareholder". Investors can alternatively establish a Labuan Company (which must have operations in Labuan, Malaysia) and apply for a

or permanent) and the difference between the two is purely administrative, with ITAP/ITAS being the issued permits and the KITAP/KITAS being the physical cards associated with the permits.

[8] Such projects must bring benefits to Thailand regarding: export-promotion; increasing employment; utilizing local raw materials; projects engaging the provinces; encouraging technology transfer to Thai nationals, while not hindering existing domestic businesses.

[9] Malaysia enforces restrictions on foreign equity ownership in certain sectors such as telecommunications, financial services and transportation.

two-year Labuan Work Permit. Malaysia also targets immigrants that can make a passive investment in the economy by capitalizing banks. The Malaysia My Second Home program (MM2H) grants renewable 10-year visas to applicants aged below 50 who open a fixed deposit account of at least $71,000 dollars at any bank with a local branch and can prove that they have at least $119,000 in liquid assets and offshore income of at least $2,400 per month. In order to attract retirees, Malaysia allows applicants above the age of 50 the option to either open a fixed deposit account of at least $36,000 or show proof of a monthly pension of at least $2,400.

- Hong Kong allows for persons who wish to enter or stay in the country for the purpose of investment as entrepreneurs under its General Employment Policy. Applicants for this visa category are judged based on the potential contribution to the economy of the Hong Kong after review of their business plans, financial resources, planned investment sum, envisioned number of jobs created locally, and the potential for introduction of new technology or skills. Although Hong Kong uses the term "entrepreneur" in this case, the standards are comparable to those that other countries apply to "investor visas".
- In Singapore, potential investors can qualify for the Global Investment Program (GIP) by investing at least $1.8 million dollars in either (I) a new business entity or in the expansion of an existing business operation, or (II) in a GIP fund that invests in Singapore-based companies. Singapore has a selective review process requiring audited company financial statements and high levels of company turnover, especially for investors in real estate and construction-related industries, as well as binding three-year business or investment plans. Investors that can meet these standards are awarded permanent residency for themselves and their families. Other investors with a strong investment track record and an innovative business plan are eligible to apply to Singapore's Entrepreneur Pass (EntrePass) visa, under the "investor" category, which provides a one or two-year visa, with renewals contingent on business performance.

Some countries have specific visas for **entrepreneurs** with different criteria than the programs for investors described above. Typically, these visas are offered in more advanced economies. They aim at attracting highly talented and entrepreneurial individuals, who do not necessarily bring along their own funding and, in some cases, may have only ideas rather than well-defined business plans.

- Among the reviewed visa regimes, Singapore's Entrepreneur Pass (EntrePass) offers the most advanced model of such visa. In addition to the "investor" subcategory of this program, there are also visas available for "entrepreneurs" and "innovators". To qualify as an entrepreneur, the applicant must either have an established business network and proven entrepreneurial track record; have financial backing from a recognized VC or business angel; or have been incubated at a recognized incubator or accelerator. In a move to encourage more entrepreneurs to apply to the EntrePass program, Singapore recently removed restrictions that required applicants to show a minimum of $50,000 in capital. To qualify as an innovator, the applicant must either hold intellectual property rights, have a research collaboration with a higher education institution or a research institute in Singapore, or demonstrate extraordinary achievements in key areas of expertise.
- Apart from Hong Kong's visa category for entrepreneur investors, there is a separate channel available for "start-up" companies. The lines are somewhat blurry between categories in Hong Kong's regulations pertaining to investor-entrepreneurs and start-ups, but they appear to allow for business ideas at varying levels of maturity to be reviewed according to their merits. Larger investments must submit detailed documentation of business plans and operational expectations, while there is space for "start-ups" to be judged on their particular merits. In contrast to Singapore, which evaluates the entrepreneurs themselves, Hong Kong's judgment is based on whether the proposed start-up fits with Hong Kong start-up programs and the "start-up" with which the entrepreneur is associated.

Need to establish a separate lifelong residence visa scheme for ex-Sri Lankans who are unable to obtain dual citizenship (Gap Analysis finding 45)

- *Some Sri Lankans are unable to obtain dual citizenship due to restrictions on dual citizenship in the country where they have gained the new citizenship. A lifelong residence visa scheme should be introduced for such citizens which would provide them with special privileges, such as educational opportunities, right to acquire lands other* *than agricultural and plantation lands subject to Central Bank regulations, right to employment in Sri Lanka other than in the public, local government, provincial council and judicial sectors (see India's model).*

As described in the context, Sri Lankans living abroad hold an immense amount of potential to accelerate economic transformation on the island. The Gap Analysis highlights one way that these individuals become structurally disconnected from Sri Lanka. Of the six countries we reviewed, four offer visa arrangements for former citizens or citizens living abroad. These happen to be the countries that have the largest diaspora populations living abroad.

- Vietnam recognizes the need for the so-called Overseas Vietnamese (Việt Kiều) to have easy entry in their country of origin. They can obtain visa-free certificates either in their respective country of residence, or upon arrival in Vietnam.
- Former Indonesian citizens who want to reclaim their Indonesian nationality and their foreign spouses are eligible for permanent residency (ITAP). ITAP is valid for five years and can be renewed.
- Malaysia's Returning Expat Program is an initiative to attract Malaysians living abroad in high-demand professions to return to the country for work. Applicants must be Malaysian citizens currently residing outside of Malaysia and have been employed abroad continuously for at least three years.
- In Hong Kong, applicants who are the second generation of Chinese Hong Kong permanent residents from overseas may apply for entry into Hong Kong. There is no sector restriction and no job offer is required upon entry, but there are requirements related to age, language skill, education, and experience.
- Singapore does not have a visa specifically for former citizens or citizens living abroad, but citizenship by descent is possible.

Upon review of the six countries, it is clear that **permanent residency** and a **path to citizenship** are key policy levers that countries make use of as they develop. These two dimensions of immigration policy were not raised in the Gap Analysis for Sri Lanka but are important to consider. Four of the six countries studied offer a path to permanent residency through at least some work or investment-related visa categories, and four countries provide a path to citizenship.

Indonesia's "Permanent Residency Permit" is awarded based on sponsorship and most often when a foreigner marries an Indonesian citizen. It is not connected to immigration visas for employment or investment. There is a path to citizenship for anyone who has lived in Indonesia continuously for five years or overall for ten years, but only if the person loses or renounces their former nationality.

- Similarly, Vietnam does not offer a path to permanent residency through employment or investment. Moreover, Vietnam only allows permanent residents to apply for citizenship.
- Thailand on the other hand does allow individuals who have lived in Thailand as a result of work or investment, or a variety of other reasons, for at least three years to apply for permanent residency. For investors, there is also a minimum total investment of around $100,000. Thailand has a cap of 100 new permanent residents per country of origin per year. After 10 years as a permanent resident, one can apply for citizenship, but Thailand does not allow adults to hold dual citizenship.
- Malaysia offers permanent residency through the following categories: investors and experts, professionals, spouses and children of Malaysia citizens, and a points-based system that takes multiple considerations such as work experience and investments into account. Malaysia also has special programs that offer 10-year renewable passes such as MM2H for foreigners who deposit enough funds into a Malaysian bank, and the Talent Resident Pass (RP-T) for high-skill foreign professionals working in Malaysia. After meeting ten years of residency and minimum language requirements, foreigners can apply for Malaysian citizenship, but Malaysia also does not allow for dual citizenship.
- Hong Kong allows individuals to apply for permanent residency after at least seven years. Hong Kong is not able to provide a path to citizenship because of its status as a special administrative region of the People's Republic of China.
- Singapore allows for individuals in the country under their Employment Pass, S Pass, EntrePass and Global Investor Program all to apply for permanent residency after just six months of establishing a work or investment track record in the country. After as little as two years, permanent residents can apply for Singaporean citizenship. Singapore, like the other countries, does not allow dual citizenship.

IV. Migration and FDI Profiles

With these differences in immigration policy understood, we checked if there was any empirical relationship between immigration policies, actual levels of immigration and FDI. We find that countries with better developed immigration systems, especially those that are more conducive to attracting talent and investment, tend to have higher levels of immigration, higher incidence of foreign firm ownership, and higher levels of FDI. The relationship is particularly strong between well-developed immigration systems, foreign firm ownership and FDI. The causation here likely runs in both directions. Better immigration systems facilitate inflows of manpower, talent and investment, but countries where the supply of foreign manpower, talent and investment are high to begin with are also more likely to adapt their immigration systems to be more open.

In terms of immigration, we see roughly three groups of countries (see Table 1). Singapore and Hong Kong have extremely high levels of immigration relative to their populations. Foreigners made up an estimated at 45.4% of the population in Singapore and 38.9% of the population in Hong Kong in 2015 according to the UN data. Meanwhile, Sri Lanka, Vietnam and Indonesia each have very few foreigners (between 0.1 and 0.2% of their populations). Malaysia and Thailand have moderate levels of immigration (8.3% and 5.8%, respectively, as estimated in 2015). To get a sense of the scale of this difference, with a population of only 7.3 million, Hong Kong hosted around 2.8 million immigrants in 2015, while Sri Lanka, which has a population three times that of Hong Kong's, only hosted 40,000 immigrants.[10]

Table 1: International migrant stock as a percentage of the total population

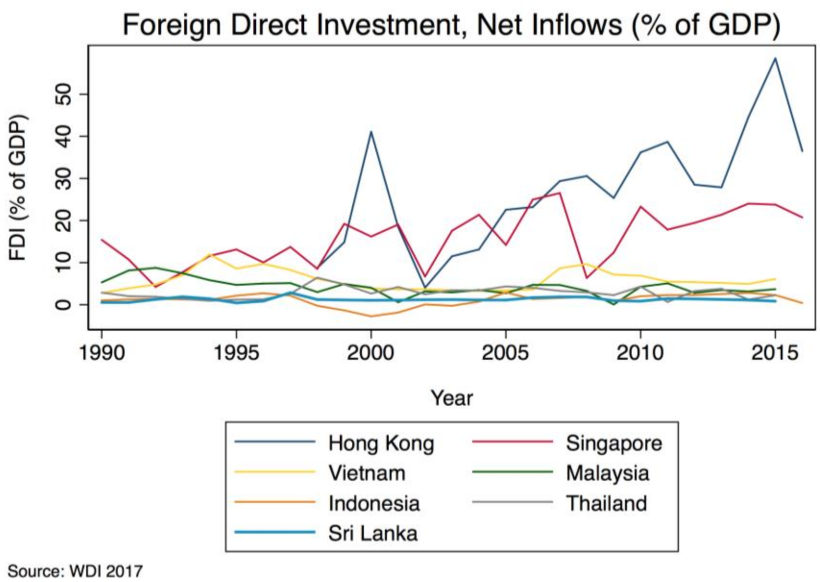
Country	1990	1995	2000	2005	2010	2015
Singapore	24.1	28.5	34.5	38.1	42.6	45.4
Hong Kong	38.3	39.8	39.3	39.8	39.8	38.9
Malaysia	3.8	4.5	5.5	6.7	8.6	8.3
Thailand	0.9	1.4	2.0	3.3	4.8	5.8
Sri Lanka	0.2	0.2	0.2	0.2	0.2	0.2
Indonesia	0.3	0.2	0.1	0.1	0.1	0.1
Viet Nam	0.0	0.1	0.1	0.1	0.1	0.1

Source: United Nations, Department of Economic and Social Affairs, Population Division (2015) Trends in International Migrant Stock: The 2015 Revision

[10] We compared this UN estimate with the official number of resident visas in Sri Lanka. According to data from the Department of Immigration and Emigration, there were about 47,000 resident visas issued annually to foreign citizens in Sri Lanka in 2016 and 2017.

In terms of FDI inflows, Hong Kong and Singapore also are the largest recipients with average annual net FDI inflows as a share of GDP of 25.9% and 17.2%, respectively over the years 2006-2015 (Figure 1). Vietnam, Malaysia and Thailand follow with moderate levels of FDI as a share of GDP (6.6%, 3.5%, and 3%, respectively), whereas Indonesia and Sri Lanka lag behind the region with FDI inflows close to 1.5% of GDP.

Figure 1: Foreign Direct Investment as a percentage of GDP



Using an alternative measure of FDI based on the fDi Markets dataset 2003-2016, we find similar ranking of countries in terms of their success to attract FDI and create positive spillovers (Table 2). Here we find that Singapore and Hong Kong have managed to attract the highest density of foreign firms and also the highest density of jobs created by foreign firms. They are followed by Malaysia, Vietnam and Thailand. Yet again, Sri Lanka and Indonesia lag behind as they have attracted few firms with little impact on job creation at home.[11]

[11] We did an additional estimate (not shown here) of the density of foreign firms in these countries using a third dataset, Dun & Bradstreet 2015. This dataset gives us the exact same ranking of countries by the density of foreign firms as the fDi Markets data.

Table 2: Greenfield FDI by country

Country	Foreign Firms	Country Capex (USD MN)	Country Jobs	Foreign Firms per million 2015 inhabitants	Capex as a share of 2015 GDP	Country jobs per thousands 2015 inhabitants
Singapore	3,120	160,700	372,400	555.7	54.1%	66.4
Hong Kong	2,240	72,100	191,400	305.3	22.5%	26.0
Malaysia	1,470	148,200	501,000	47.0	50.0%	16.1
Vietnam	1,700	283,900	1,149,700	18.3	140.1%	12.4
Thailand	1,490	110,800	524,500	21.6	27.2%	7.6
Sri Lanka	250	17,500	68,600	11.6	21.5%	3.2
Indonesia	1,060	249,600	547,700	4.0	26.8%	2.1

Source: fDi Markets Data (Inflows from 2003-March 2016)

Note: Data source is biased towards large-scale, visible projects. Capex and jobs figures are estimates
Data sorted by the number of FDI jobs per 1000 inhabitants. The data does not account for FDI outflows, meaning that these estimates are upper bounds of the total greenfield FDI stock

However, despite these strong correlations, it is important to emphasize that simply improving the visa system will not be sufficient to attract and retain investment, knowhow and talent. Numerous other constraints are also relevant when it comes to attracting foreign investment to Sri Lanka. As one example, among the countries studied, Singapore is also exemplary when it comes to the ease of opening a foreign business, while Indonesia and Sri Lanka once again lag behind the regional comparators (Table 3).[12]

Table 3: Ease of opening a foreign business

	Procedures (number)	Time (days)	Ease of establishment index (0-100)
Singapore	4	9	78.9
Thailand	9	34	60.5
Malaysia	11	14	60.5
Vietnam	12	94	57.9
Indonesia	12	86	52.6
Sri Lanka	6	65	47.9
South Asia	9	39	62.5
East Asia and Pacific	11	64	57.4
Global	10	42	64.5
LKA deviation from Southeast Asia & Pacific			-12.05
LKA deviation from Global Average			-16.6

Source: World Bank 2017, Investing Across Borders

[12] Data for Hong Kong is not available in this dataset.

V. Recommendations

Our findings from a review of the regulatory frameworks of select countries in Asia indicate that immigration practices and experiences vary greatly, and systematically, across the countries. The immigration systems vary based on what type of immigrants the countries are seeking to attract, which appears to be partially a function of a country's level of development and level of economic diversification. Singapore and Hong Kong have the most developed immigration systems among the countries, in terms of the variety and specificity of worker, investors and entrepreneurs they are able to facilitate. It comes as no surprise that Singapore ranks the highest in the group in economic complexity (9th in the world).[13] Hong Kong (28th in economic complexity) generally comes next in terms of the extensiveness its immigration system, followed by Malaysia (23rd) and Thailand (24th). Malaysia puts a unique focus on immigrants as a source of domestic savings to capitalize the banking system, while Thailand's system allows for a fair amount of flexibility within less rigidly developed regulations. Vietnam (67th in economic complexity) has updated some of its immigration policies in recent years and is now more conducive for investors and high skilled workers than those of Indonesia (62nd). Currently, Sri Lanka (81st in economic complexity) maintains a system that most resembles that of Indonesia.

Rather than suggesting a particular model for Sri Lanka, we have laid out the relevant categories of each country's visa regime to demonstrate the ways that immigration is used as a policy instrument to address different needs such as boosting investments and attracting skills. While the immigration policies of each country vary in their level of openness and complexity, below are common elements that we found, which can serve as organizing principles to guide immigration reform in Sri Lanka.

- **Immigration reform as part of an overall effort to attract talent, skills, and diversified FDI**. Countries can and do use immigration policies as an active tool to attract the workers, investors and entrepreneurs that the economy needs to grow and thrive. Sri Lanka has missed out on this opportunity for a long time but has many tools to

[13] Economic Complexity is a measure of developed by Harvard CID that captures the knowhow a country has based on the products that it exports. A complete list of these rankings is available at www.atlas.cid.harvard.edu/rankings/country/2015/.

borrow from other countries, especially those that have built elaborate systems to attract a wide range of brains while remaining clear and streamlined.

- **Employment –** Less developed countries among the six have fewer options to attract workers, whereas the most developed ones have a more nuanced approach in attracting the talent and skill sets that they need.
- **Investors** – It is clear that investor visas are a necessary tool for attracting the "right kind of FDI" – FDI that will diversify the Sri Lankan economy, and most especially, its exports. Investors from top global companies expect to be welcomed into the country and provided time to explore investment opportunities.
- **Entrepreneurs/Innovators** – Innovators and entrepreneurs are the most valuable resource to advanced economies. This tends to be the last piece of the immigration puzzle that countries try to attract, but little stands in the way of doing so at lower levels of development. One could argue that countries should be proactive in adjusting the immigration system to such new opportunities instead of reactively readjusting when the system becomes a constraint.
- **Global Sri Lankans** – Countries with large populations abroad also have an enormous source of diversified skills, experience and knowhow residing outside the country. It is low hanging fruit for countries to use immigration policy to address roadblocks that prevent their populations abroad from contributing to development at home.
- **Retirees and tourists** – Some countries[14] make it easy for retirees and tourists to contribute to the local economy through their financial and knowledge resources. Sri Lanka, with its dynamic tourism growth, could utilize the same tools.

- **Streamlining and simplifying procedures**. As we have seen across different regulatory practices, the active streamlining and simplifying immigration visa and work permit procedures sets apart functioning from malfunctioning systems.
- **Paths to permanent residence and citizenship**. Most countries that we have reviewed have paths towards permanent residence and citizenship, recognizing that people are naturally more inclined to work for the betterment of their new country if they have the opportunity to make it their permanent home.

[14] Namely Thailand, Indonesia, and Singapore, see Annex for more information.

- **Dependents' rights**. The decision to relocate to a given country affects not only the principal worker or investor, but also their family members. Both as an intrinsic good and as a means of attracting talent, skills and investment, many countries allow dependents to live freely, enroll in educational institutions, and work in their country. Outside of Asia, this practice is quite common in the European Union, the United States and Canada.
- **Immigration fees**. Imposing high fees for immigration services tends to be counterproductive because any fee imposed on workers, investors, and others is a tax on inputs. At the same time, more developed countries manage to use more direct mechanisms to judge the credibility of potential investors and entrepreneurs than through minimal capital requirements.
- **Cost and complexity administering the system**. In designing the new framework, the administrative capabilities and cost need to be carefully considered. While the more complex system of Singapore and Hong Kong have many merits, it is important to recognize that they were built up over time. Sri Lanka cannot simply adopt these systems in full because it lacks the built-up knowledge of how to administer them. It will be necessary to prioritize ideas from other countries and adapt to Sri Lanka's own context. At the same time, it is important to leave space within the system to build in new channels over time to meet new needs as they emerge.

ANNEX I: Detailed Findings on Comparator Immigration Frameworks in Asia

Employment Visa Details by Country

HKG: Hong Kong maintains a broad set of categories and subcategories to target high skilled, medium and low skilled workers, whether employed or self-employed. In particular, its framework is divided as follows: Professionals who are interested in working in Hong Kong may apply under the General Employment Policy which has no sector restriction, but requires a job offer, academic qualifications or work experience, and a remuneration package commensurate with the prevailing market rate are the key eligibility criteria. The “Quality Migrant Admission Scheme,” is a quota-based entrant scheme that seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness. Successful applicants are not required to have secured an offer of local employment before their entry to Hong Kong for settlement but are required to fulfill a set of prerequisites before they can be awarded points under one of the two points-based tests, namely the General Points Test and Achievement-based Points Test, and compete for quota allocation with other applicants.[15] Under the Imported Workers subcategory, Hong Kong admits workers at technical level and below. It requires employers to petition for visa/entry permits.[16] Under the Domestic Helper subcategory, employers can bring domestic helpers to Hong Kong. It is a special subcategory that is contingent upon prospective employer’s financial status.[17]With the Training Visa subcategory, Hong Kong allows applicants to enter for a limited period (not more than 12 months) of training to acquire special skills and knowledge not available in the applicant's country/territory of domicile. The Non-local graduates Visa is a special subcategory that regulates the entry and stay for applicants who are/were non-local students and have obtained an undergraduate or higher qualification.[18] Alike Singapore and Malaysia, Hong Kong also has a quota based Working Holiday Visa to allow individuals from selected countries who visit Hong Kong as tourists to

[15] There is a relaxed pattern of duration of stay from “1+2+2+3” years to “2+3+3” years for GPT and GEP entrants.
[16] Imported workers admitted under this arrangement are not allowed to bring in their dependents.
[17] The employer must have a household income of no less than HK$15,000 per month or assets of comparable amount to support the employment of a Helper for the whole contractual period. Helpers are not admitted to Hong Kong for settlement. They are not eligible to bring their dependents to Hong Kong for residence.
[18] Non-local graduates may apply to stay in Hong Kong for one year to look for a job. Key requirements include: an undergraduate or higher qualification; job offer not required upon entry (for fresh graduates).This category is a quota-free and non-sector specific.

also take up employment. The duration of the visa varies between six months to one year, participants are allowed to work, as well as enroll in training courses.[19]

THA: Thailand grants short term work visas (three months or one year), which can be renewed, to applicants who wish to take up employment in Thailand. In addition to obtaining the visa, one also needs to obtain a work permit issued by the Ministry of Labor (one cannot take up employment unless properly authorized by the Ministry of Labor). Most of the eligibility criteria for the work visa are similar to the business visa.[20] Under the category of work visas, there are also teacher visas, for individuals who intend to take up employment as school teachers at the levels below university level in Thailand.[21] There are also short term (three months) O visas for individuals who work or volunteer in nongovernmental institutions.

VNM: Foreign workers may come to Vietnam through various visas (such as such as the DN **visa** when a foreign works for a Vietnamese company, or the NM visas for expats working in project offices, foreign NGOs, or other foreign economic, cultural, or professional organizations), but the most common one is the foreign worker visa (LD). They need to have a Vietnamese company sponsoring them. These domestic companies are only permitted to recruit foreign employees for jobs as managers, executives, experts, and technicians, provided that Vietnamese employees cannot meet the demand for these qualifications. Foreign companies in Vietnam can also hire foreign workers, but only upon explaining their needs to employ the foreign workers and receiving prior approval in writing from the state. The LD visa is a 2-year visa with a renewal option and costs $320. The Ministry of Labor (MoLISA) tracks the numbers of foreign workers in Vietnam, but these statistics are not publically available. Press releases citing MoLISA report that the number of foreign workers in Vietnam grew from 12,600 in 2004 to 83,500 in 2015. These are low numbers for a labor force of 56 million people, but most likely, due to the low level of visa regulation, the actual numbers are vastly understated.

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[19] Australia (5,000), Austria (100), Canada (200), France (750), Germany (300), Hungary (200), Ireland (200), Japan (1,500), Korea (Republic of) (1,000), New Zealand (400), Sweden (500), United Kingdom (1,000). Applicants must be between 18 and 30 years old.

[20] The work/business visas are usually short term – i.e., three months or one year, and the cost at 2,000 and 5,000 baht respectively, does not appear to be overwhelming, at least for skilled workers. Thai work visas can be issued to individuals who wish to work, and in this category, the visa requirements demand that applicants show proof of financial solvency (20,000 baht per person and 40,000 baht per family).

[21] Such individuals must have a letter of acceptance from employing institute or school in Thailand and also evidence of educational qualification, among other requirements.

IDN: Domestic companies that face skill shortages may hire foreign workers in Indonesia. The process of application seems cumbersome, however. First, the company in need of foreign labor must pass an interview with the Ministry of Manpower in order to acquire Foreign Manpower Employment Plan approval (RPTKA). Then, the foreign workers (for short term and long term work contracts alike) need to obtain a work visa (IMTA). If the foreign worker is applying from outside Indonesia, they need a pre-working permit that would allow them to enter the country. Once in the country, they need to apply for IMTA, a limited stay permit (VITAS), a limited stay permit card (KITAS), a re-entry and re-exit permit (MERP) and conduct a civil registration (i.e., obtain a residential card). IMTA costs $100 per month (e.g., $1200) per year. It is an annual visa, and each subsequent renewal is equally costly. Each other permit/visa carries additional costs. For instance, the electronic limited stay permit application costs $75 for one year. Foreign workers cannot be hired in the following departments: human resources; legal; health, safety, and environmental affairs; supply chain management; and quality control and inspection. Companies in the following sectors are subject to additional scrutiny by the Ministry of Manpower when employing foreign workers: service, trade, and consulting. Indonesia's Investment Coordinating Board (BKPM), a government agency, collects data on workers and foreign investors in Indonesia, but (perhaps due to the language barrier) it was not straightforward how to obtain this data directly from their website. Press releases using BKPM data, report 74,000 foreign workers in 2016, down from 172,000 in 2015. Both numbers, however are very low compared to Indonesia's total population of 260 million. Artists can obtain six-month Impresario visas to work in Indonesia.

MYS: In order to employ foreign workers, companies in Malaysia must apply for employment passes on behalf of potential employees. Only companies registered with the Companies Commission of Malaysia that meet paid-up capital requirements can sponsor expat workers. Companies regulated by an approving agency need to submit an approval letter from the relevant agency for each employment pass application for all categories. Foreigners coming to Malaysia who have not obtained work permits before arrival may enter the country on social passes and to obtain the work permit before they start working.

Foreign workers between 18 and 45 years of age are eligible for a temporary employment pass. Foreign workers under the temporary employment pass cannot bring dependents, and cannot change jobs or employers without the permission of the Ministry of Home Affairs. Foreign workers are only allowed to work a maximum of five years in the country, and face tight restrictions such as rules that prohibit them to marry any local resident or migrant worker working in Malaysia. Temporary employment passes are subject to a sector-specific levy (with the highest levy at $430 a year), and can only be issued in these approved sectors: manufacturing, plantation, agriculture, construction, and services.

Malaysia offers three categories of work passes (renewable) based on skills levels determined by minimum monthly salary requirements. Category I (expat post) requires a minimum monthly salary of $2,400 and contract of up to five years, and allows for dependent visas. Dependents are not allowed to work unless they independently obtain an Employment Pass. Category II (expat post) requires a salary between $1200 and $2,399 and allows for a contract of up to two years with dependent visas allowed. In order to be eligible for Category I and II visas, the foreign worker must have a degree with at least three years of experience in the relevant field; and/or a diploma with at least five years of experience in the relevant field; and/or a technical certificate or equivalent, with at least seven years of experience in the relevant field. Highly skilled workers who have worked in Malaysia for at least three years holding a valid employment pass and earning at least $3500 monthly are eligible for the Resident Pass-Talent (RP-T), a 10-year renewable pass that grants professionals the flexibility to change employers and secure long-term residence for dependents. The RP-T is a highly selective program that aims to diversify Malaysia’s talent pool – more than 90% of successful applicants hold top management positions, or have more than 10 years of global work experience.

Category III (knowledge/skilled post) is for foreign workers earning between $715 and $1,199, and allows for a contract of up to one year with a maximum of two renewal allowances and no dependent visas allowed. Successful applicants under Category III must also obtain a visa to enter Malaysia if they are from a country that requires it. Before submitting an application for a prospective foreign worker, employers who wish to employ foreign workers under Category III must apply for an exemption from the Ministry of Home Affairs, which is granted on an annual basis.

Foreigners with acceptable professional qualifications or skills seeking to enter Malaysia to provide or undergo practical training with a Malaysian company on behalf of an overseas company on a temporary basis may apply for a Professional Visit Pass (PVP). The PVP is valid for a maximum duration of 12 months, and does not allow applicants to sponsor dependents.

SGP: A Miscellaneous Work Pass is a short-term visa valid for up to 60 days issued to those involved in activities directly related to the organization or attendance of any seminar, conference, workshop, gathering or talk concerning any religion, race or community, or political end. The Miscellaneous Work Pass is issued to foreigners working in Singapore on short-term assignments, and pass holders must have a short-term visit pass as well to enter the country. A local employer or sponsor must apply on behalf of the foreign worker. The Miscellaneous Work Pass is not renewable, and holders are not eligible to apply for permanent residency. There is no quota system in place for the pass.

Singapore requires companies seeking to hire foreign workers to apply for work passes for their prospective employees. Singapore divides work pass categories by skill level, also determined by minimum monthly salary requirements. The Employment Pass allows foreign professionals, managers and executives to work in Singapore. There is no official quota system, and each application is reviewed by authorities based on the credentials of the employing company and the applicant. In order to be eligible for the Employment Pass, foreign workers must have a tertiary degree from a reputable university and relevant professional experience. The minimum monthly salary requirement of $3,600 is typically applicable to graduates from high quality educational institutions; whereas older applicants who are experienced will need to command higher salaries in order to qualify. EP-holders with a minimum fixed monthly salary of $5,000 can apply for a dependent’s pass for immediate family members (spouse and unmarried children under 21 years of age). The Employment Pass is issued for one to two years, and renewable for up to three years. Employment Pass holders are eligible for permanent residency. High earning Employment Pass holders and overseas foreign professionals can opt for a nonrenewable three-year-long Personalized Employment Pass, which allows them to work in Singapore without being tied to an employer.

Mid-level skilled staff earning at least $1,600 a month may apply for the S Pass, a 2-year-long renewable visa which can be renewed for an additional three years. S Pass applicants are assessed based on employer's quota eligibility and applicant's qualifications, and are eligible for permanent residency. Instead of a degree, a technical diploma is acceptable for this kind of work pass. Quota system under which the number of S Pass holders a company can hire is capped at 15% of the company's total workforce in the services sector, and 20% in all other sectors. There is a monthly levy ranging from $245 to $700 based on the sector and how many S Pass holders a company employs.

Singapore has a specific renewable Work Permit for semi-skilled foreign workers from an approved source country to work in the construction, manufacturing, marine shipyard, process, or services sector. The Work Permit is valid for up to two years, and does not allow applicants to bring dependents. Employers must apply on behalf of those they wish to hire from abroad, pay a monthly levy for each worker and remain within the quota limit for their industry. Singapore also has additional visa categories that apply specifically to foreign domestic workers, confinement nannies, performing artists, and foreign professionals undergoing practical training.

Investor Visa Details by Country

HKG: Under its General Employment Policy (GEP), Hong Kong specifies a subcategory for persons who wish to enter/stay in Hong Kong as entrepreneurs, i.e. to establish or join in business in HK.[22]

THA: Thailand grants short term (three months or one year) business visas to individuals who wish to pursue business activities in the Kingdom. However, it requires that one also obtain a work permit issued by the Ministry of Labor (one cannot take up employment unless properly authorized by the Ministry of Labor).[23] In addition to the short-term visas, a foreign citizen who

[22] Eligibility Criteria include no security objection and no known record of serious crime in respect of the applicant; substantial contribution to the economy of the HKSAR, with consideration factors including, but not limited to, a two year business plan stating the nature of the business, market analysis, market positioning, business direction, sales targets, product marketing strategy, business turnover (where appropriate), financial resources, investment sum, number of jobs created locally and introduction of new technology or skills in order to demonstrate that the business is suitable for and capable of developing in Hong Kong.

[23] The business visas are usually short term – i.e., three months or one year, and the cost at $60 and $150 respectively. Applicants for business visas need to present: letter from the applicant's company indicating the

wishes to visit Thailand for business purposes may apply for a three-year Non-Immigrant "B" Visa. This type of visa may be issued to individuals for multiple entries, and is valid for three years.[24] Thai regulations make further distinctions by adding two more categories such as Investment and Business Visa, which is issued to foreign citizens employed to work on investment projects under the auspices of the Board of Investment of Thailand (BOI).[25] Further, in order to facilitate and expedite visa and work permit processing, Thailand has also established a One Stop Service Centre for Visas and Work Permits.[26]

VNM: Foreign investors (as well as foreign lawyers practicing law in Vietnam) who wish to establish and operate a company in Vietnam can apply for the ĐT (Foreign Investor) Visa. In 2015, the government extended the duration of the previously annual visa to five years, with the possibility for extension. Specific information on eligibility conditions for the visa is scarce, but foreign investors do not face minimum capital requirements in most industries.[27] According to D&B data, there were about 1,800 foreign establishments in 2015, (nine establishments per billion of GDP or 19 per million inhabitants). This places Vietnam third (after Hong Kong and Singapore) in terms of intensity of foreign firms in GDP and fourth in terms of intensity of foreign firms in the population. With an average net FDI inflows as a share of GDP of seven percent between 2006 and 2015, Vietnam also ranks third (after Hong Kong and Singapore) in terms of FDI intensity as reported in the World Development Indicators of the World Bank.

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applicant's position, length of employment, salary and purpose of visit(s) to Thailand; letter of invitation from trading or associated partners/companies in Thailand; corporate documents of associated partners/companies in Thailand similar to the work visas.

[24] It allows holder to visit Thailand as often as required for as long as the visa remains valid and allows holder to stay in Thailand for a period of not exceeding 90 days during each visit. Employment of any kind is strictly prohibited for holder of such visa.

[25] Such projects must bring benefits to Thailand regarding: export-promotion; increasing employment; utilizing local raw materials; projects engaging the provinces; encouraging technology transfer to Thai nationals, while not hindering existing domestic businesses. (It is unclear how to interpret this last requirement in a way that does not discriminate against foreign companies and workers.)

[26] Individuals eligible to benefit from the one stop service include: executives or experts with privileges accorded to them by the Investment Promotion Act, Petroleum Act, Industrial Estate Authority of Thailand Act; investors - if investing not less than $60,000, he or she will be granted a one year permit, and if investing not less than $300,000, he or she will be granted a 2 year permit; executives or experts when the company has a capital of not less than $900,000; members of the foreign press; researchers or developers in science and technology; employees of a branch office of an overseas bank, foreign banking office of an overseas bank, provincial foreign banking office of an overseas bank or a representative office of foreign bank in which all offices are certified by the Bank of Thailand; individuals who works on the necessary and urgent basis for a period of no longer than 15 days; and official representatives for foreign juristic persons concerning the International Trading Business and Regional Office of Transnational Corporation; experts on information technology; and individuals who work at regional operating headquarters.

[27] The exceptions are real estate ($880,000 MCR) and mutual insurance organizations ($440,000 MCR).

IDN: Indonesia issues visas to foreign investors for the purpose of running a business within the territory of Indonesia, albeit, *prima facie*, without making a distinction between visiting Indonesia on business and carrying out actual investments in the country. Investors can choose between LLC (called PT PMA in Indonesia) or a representative office (KPPA). A PT PMA can perform regular for-profit business activities, while a KPPA is only allowed to perform market research and locally represent foreign companies. Depending on the sector, costs for the establishment of a PT PMA can vary, but generally such a package costs around $3,000 and requires about 10 weeks to be completed. The minimum capital requirement for establishing a PT PMA is $750,000. In the case of KPPA, there is no minimum capital requirement, the cost of establishment is estimated at $2,000 and the processing time is six weeks. The foreign individuals that engage in such activities need to apply for limited work permit (ITAS) and later for permanent work permit (ITAP). This seems similar to the process that foreign workers are subject to. Indonesia is quite restrictive when it comes to the sectors in which foreign investors can be active (it has a negative list of professions/activities not opened to foreigners).

MYS: Foreign investors can open a business in Malaysia with 100% ownership by forming a private limited ("Sdn Bhd") company, or Labuan International Company (which must have operations in Labuan, Malaysia). Incorporating a private limited company requires minimum paid up capital of $119,000 for advisory and consultancy businesses, and $237,000 for import, export, restaurant and trading businesses. After incorporating a private limited company and registering it with the Companies Commission of Malaysia, a foreign individual can apply through the company for employment passes through the same procedure as all companies in Malaysia. Foreign investors who locate operations in Labuan and meet the MCR of $60,000 can instead set up a Labuan Company. Through this company, investors can submit two-year Labuan Work Permit applications to the Labuan Financial Services Authority on behalf of professional expatriates (including themselves) earning at least $2,400 monthly. In both cases, employment passes are renewable and provide the option to bring dependents to Malaysia.

Foreign individuals seeking to establish residency in Malaysia through a passive investment can apply for Malaysia's My Second Home program (MM2H) to obtain a 10-year long-term renewable visa. Applicants aged below 50 years are required to show proof of liquid assets worth a minimum of $119,000 and offshore income of $2,400 per month. Applicants below 50 years old are required to open a fixed deposit account in Malaysia of $71,350 at any national or international bank with a local branch. Applicants 50 years old and above can either choose to open a fixed deposit account in Malaysia of $36,000, or show proof of monthly off-shore government pension of at least $2,400.

According to Malaysia's Tourism and Culture Minister, the MM2H program has contributed $3 billion to the economy since 2002, with $1.2 billion from fixed deposits, $35 million from the purchase of automobiles and properties, an estimated monthly out of pocket expenses amount to $2,500 per person, and $12 million from visa fees. Out of the more than one million foreigners who have applied for the MM2H program since 2002, only 33,300 applications have been successful. Source countries for the MM2H program come from China (8,714), Japan (4,225), Bangladesh (3,546), United Kingdom (2,412), Iran (1,336), Singapore (1,295), Taiwan (1,208), South Korea (1,266), Pakistan (973) and India (890).[28]

SGP: Potential investors can qualify for the Global Investment Program (GIP) by investing at least $1.8 million dollars in either (I) a new business entity or in the expansion of an existing business operation, or (II) in a GIP fund that invests in Singapore-based companies.

Under GIP, Singapore grants permanent resident status to applicants who have a substantial business track record, and a successful entrepreneurial background. Applicants must produce three years of audited company financial statements. If an applicant's company is in the real estate or construction-related industry, the company turnover must be at least $148 million in the most recent year, and at least $148 million per annum on average for the last three years. For other sectors, company turnover must be at least $37 million in the most recent year, and at least $37 million per annum on average for the last three years. If a company is privately-owned, applicants must have at least 30% shareholding in the company.

Applicants must submit a detailed three-year business or investment plan with projected employment and annual financial projections. The milestones outlined in the business or investment plan must be fulfilled three years from the date of investment to be eligible for

[28] "Over RM12b Contributed to Local Economy through MM2H Programme." *The Sun Daily*, 13 July 2017, www.thesundaily.my/news/2017/07/13/over-rm12b-contributed-local-economy-through-mm2h-programme.

renewal. Your spouse and children (under 21 years old) are eligible to apply for PR under your GIP application. PR status will be granted after proof of investment, and the applicant will be issued a Re-Entry Permit (REP) for either three or five years.

Entrepreneurs Visa Details by Country

HKG: An applicant who wishes to establish or join in a start-up business may submit a visa application. The Immigration Department may consider the application favorably, if the start-up business concerned is supported by a government-backed program with a rigorous vetting and selection process, and the applicant is the proprietor or partner of the start-up company or a key researcher of the relevant project.

THA: Thailand does not distinguish between an entrepreneur and investor visa.

VNM: Vietnam does not have a specific visa for entrepreneurs and self-employed, but the fact that the investor visa does not require a minimum capital requirement opens the door for such individuals to obtain visa intended for entrepreneurial activities in Vietnam. The ĐT Visa has a duration of five years with possibility of extension.

IDN: Indonesia does not have a special visa for entrepreneurs and self-employed. It is not clear how foreigners with business ideas, but without upfront capital can start conducting commercial activities in Indonesia.

MYS: Malaysia recognizes the APEC Business Travel Card, which allows business travelers pre-cleared, facilitated short-term entry to participating member economies of the Asia Pacific Economic Cooperation for a stay of up to 60 or 90 days. APEC member economies fully participating in the scheme include Australia, Brunei Darussalam, Chile, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand, and Viet Nam.

SGP: The Entrepreneur Pass (EntrePass) is a variation of the Employment Pass issued to eligible foreign entrepreneurs relocating to Singapore to start a new business. Applicants are eligible for an EntrePass if they have started, or intend to start, a private limited company registered with the

Accounting and Corporate Regulatory Authority. If registered, the company must be less than six months old on the date of application.

The applicant must meet the eligibility criteria for one of three categories: entrepreneur, innovator or investor. To apply as an entrepreneur, the applicant must have funding from a Government-recognized VC or business angel, or be hosted at a government-recognized incubator or accelerator, or have a business network and entrepreneurial track record. Applicants under the innovator category must either hold an intellectual property, have a research collaboration with an Institute of Higher Learning or research institute in Singapore, or demonstrate extraordinary achievements in key areas of expertise. Investor applicants must prove a strong investment track record and submit a business plan to the Singapore Ministry of Manpower. The first EntrePass is issued for one year, and subsequent renewals are for two years. Renewals are based on criteria such as proof of business activities, percentage of shares held in the company, and minimum total annual business spending and employment generation requirements set based on the number of years the EntrePass has been active. The EntrePass allows you to bring your family (spouse and unmarried children under 21) to Singapore through Dependent's Passes, and EntrePass holders can apply for permanent residency.

Returned Migrants Visa Details by Country

HKG: Applicants, who are the second generation of Chinese Hong Kong permanent residents from overseas, may apply for entry into Hong Kong. There is no sector restriction and no job offer is required upon entry.[29]

VNM: Vietnam recognizes the need for the so-called Overseas Vietnamese (Việt Kiều) to have easy entry in their country of origin. The Government of Vietnam estimates that about 3.2 million Vietnamese live overseas. Many of them hold foreign citizenships. In Vietnam, they are visa exempt. Instead, they can obtain visa-free certificates either in their respective country of residence, or upon arrival in Vietnam. Eligible for this visa exemption are Vietnamese people

[29] Key requirements include: age between 18-40; born overseas; at least one parent holding valid Hong Kong permanent identity card upon application and was a Chinese national settled overseas at the time of applicant's birth; good education background, technical qualifications or proven professional experience; proficient in written and spoken Chinese (Putonghua or Cantonese) or English.

that hold foreign passports and foreigners who are their spouses and children. Vietnam does not have a special visa for foreign retirees.

IDN: Former Indonesian citizens who want to reclaim their Indonesian nationality and their foreign spouses are eligible for permanent residency (ITAP). ITAP is valid for five years and can be renewed. The first-time application costs $280 and each extension costs $770.

MYS: The Returning Expat Program is an initiative to attract Malaysians living abroad in high-demand professions to return to Malaysia for work. The program has approved 4,121 people since 2011. Applicants must be Malaysian citizens currently residing outside of Malaysia and has been employed abroad continuously for at least three years at the time of application. They must not have earned employment income of any sort in Malaysia continuously for at least three years leading to the time of application, and hold no outstanding scholarship bond or loan with the Malaysian Government and its agencies.

SGP: While Singapore does not have a visa specifically for former citizens or citizens living abroad, citizenship by descent is possible.

Other Visas by Country

Retirement Visa

THA: Thai regulations also carve out the space for long-term non-immigrant visas issued to applicants aged 50 years and over who wish to stay in Thailand for a period of not exceeding one year without the intention of working.[30]

IDN: Indonesia allows foreigners to retire in Indonesia if they are at least 55 years of age, do not intend to work in Indonesia, are in 'good health and character', and can prove pension fund receipts equal to $1,500 a month. There are also minimum rental cost requirements, e.g., $500/month in Jakarta or Bali. The application costs vary between $375 and $525 for five-year

[30] Eligibility for this visa requires that an applicant be aged 50 years and over; no prohibition from entering the Kingdom; no criminal record in Thailand and the country of the applicant's nationality or residence; no prohibitive diseases; employment in Thailand is prohibited; bank deposits of the amount equal to and not less than $24,000 or an income certificate (an original copy) with a monthly income of not less than $2000, or a deposit account plus a monthly income totaling not less than $24,000. The visa fee is $150 for multiple entries.

retirement visa (ITAS Lansia - Retirement Temporary Stay Permit). The retirees pay 35% personal income tax on their income.

SGP: There is no retirement visa for foreigners seeking to retire in Singapore, and retirees in the country are usually those who entered the country for employment, investment or family-related reasons, and acquired permanent residency or Singapore citizenship.

Dependent Visa

THA: Dependents can reside in Thailand, but they cannot use their visa to legally work there. If the dependent wishes to work he or she may get a Non-immigrant “B” Visa and Work Permit through their own employers.

HKG: GEP, Quality Migrants, Non-Local Grads, and Diaspora principal visa holders are allowed to bring in their spouse and unmarried dependent children under the age of 18 to Hong Kong. The dependents’ length of stay will normally be linked to that of the sponsor and they are free to take up employment or study during their stay in Hong Kong.

VNM: While dependents of foreign workers can stay in Vietnam (TT visa), they do not seem to be automatically allowed to work.

IDN: Spouses are only allowed to work if they find own sponsor/employer. Foreign workers can sponsor a residence permit for their spouses, but this does not allow them to work.’

MYS: Employment Pass holders may apply for a Dependent Pass for spouses, children under 18, or parents. Dependents must independently apply for a work pass in order to work.

SGP: A Dependent’s Pass is for legally married spouses or unmarried children under 21 years of eligible Employment Pass or S Pass holders. An employer or appointed employment agent must apply on behalf of the candidate. No foreign worker levy or quota is imposed for dependent passes. The Long-Term Visit Pass (LTVP) is for a common-law spouse, step-child or handicapped child of an Employment Pass or S Pass holder. Pass holders earning over $10,000 can also get a pass for parents.

Permanent Residence and Citizenship

HKG: A person not of Chinese nationality who has entered Hong Kong with a valid travel document, has ordinarily resided in Hong Kong for a continuous period of at least seven years and has taken Hong Kong as his/her place of permanent residence may apply for the right of abode in the Hong Kong Special Administrative Region. Permanent residents who leave Hong Kong for more than three years will lose their status.

THA: All applications for Thai Permanent Residency are processed by the Royal Thai Immigration Commission. The annual quota for granting permanent residency in Thailand is a maximum of 100 persons per country. The application period for Thai PR usually from October to the end of December of every year. In order to apply to become a Thai Permanent Resident, you must have had a Thai non-immigrant visa for at least three years prior to the submission of your application. Permanent residency applicants can claim eligibility through the work/business category, expert/academic category, family category or the investment category, which requires a minimum $90,000 investment in Thailand. The resident permit does not expire unless it is revoked. A child born in Thailand immediately obtains Thai nationality if at least one parent is a permanent resident. Thailand allows those who have held Permanent Resident status in Thailand for 10 consecutive years to apply for citizenship.

VNM: A foreigner who has lived in Vietnam for at least three consecutive years, and is the parent, spouse or child of a Vietnamese citizen living permanently in Vietnam may apply for permanent resident status. Permanent residents who obey the Constitution and law of Vietnam, and understand Vietnamese sufficiently to integrate and are capable of making a livelihood in Vietnam may apply for citizenship after holding a permanent residency card for at least five years. Vietnam amended its nationality law in 2008 to allow for dual citizenship.

IDN: The Permanent Residency Permit is valid for five years. After the first period of five years, it can be extended for four more consecutive five-year periods, and is valid for 25 years in total. A Permanent Residency Permit requires a sponsor, and is most often given to foreigners who are married to Indonesian citizens and who plan on living in Indonesia permanently.

Citizenship may be acquired by birth, descent, marriage or naturalization. To become a naturalized citizen, applicants must fulfill following conditions: Person provides proof of loss or renunciation of former nationality, is at least age 21, was either born in Indonesia or has resided continuously for five years or not continuously for 10 years, knows the Indonesian language, has knowledge of Indonesian history, has no criminal record, is of good mental and physical health, has a regular means of support, and, if applicable, has obtained their spouse's permission.

MYS: Permanent residency in Malaysia grants an entry permit and identification card that allows the holder to reside, work, conduct business and buy property in Malaysia without any visa or immigration requirements. Permanent residency applications are organized in four categories: investors and experts, professionals, spouses and children (under the age of six) of Malaysia citizens, and the points-based system. To qualify as an investor, the applicant must make a minimum $2 million fixed deposit at any bank in Malaysia, which can only be withdrawn after five years. An individual with world class expertise, talents or skills recognized by an international organization and a recommendation and sponsorship by the relevant agency in Malaysia can apply as an expert. The category for professionals is for high-skill professionals with a recommendation from the relevant agency in Malaysia, a certificate of good conduct from the applicant’s country of origin, one Malaysian sponsor, and experience working in a government agency or private company in Malaysia for at least three years. Spouses of Malaysian citizens who hold a Long-Term Visit Pass and have maintained continuous presence in Malaysia for five years, and children under the age of six, are also eligible for permanent residency.

The points-based system is open to any type of applicant who can pass at least 65 out of the 120 points used to assess permanent residency applications based on the following criteria: age, qualifications, duration of stay in Malaysia, familiarity with the Malaysian Institute, investment value, work experience in Malaysia, proficiency in Malay. Potential applicants can use an online point system calculator to determine whether they have enough points to be eligible for permanent residency. Obtaining Malaysian citizenship through naturalization requires applicants to be resident in Malaysia for 10 years and have minimal Malay fluency. Malaysia does not allow dual citizenship.

SGP: Foreigners in Singapore under the Employment Pass, S Pass, EntrePass or Global Investor Program are eligible to apply for permanent residency. Although workers do not have to wait to apply for permanent residency, the application requires proof of salary for at least six months, and establishing a track record in Singapore is an important criterion for selection.

In order to be eligible to apply for Singaporean citizenship, the applicant must be a person who is at least 21 years of age and has been a Singapore Permanent Resident (SPR) for at least two to six years prior to the date of application; or the spouse of a Singapore Citizen with a minimum of two-year PR and married for at least two years preceding the date of application; or a child born outside Singapore whose parent is a Singapore citizen. Officials also consider the applicant's track record of living in Singapore during the permanent residence time period, good character and law abiding nature, and the ability to be an asset to Singapore.