

Regulating Employment Agencies in Singapore

Deyna Isaiah Chan
Foreign Manpower Management Division
9-10 October 2012



A Great Workforce A Great Workplace 

Scope of Presentation

Employment Agency Regulatory Framework

- Background
- Coverage
- Licensing Framework
- Fee Cap and Refund
- Penalties and Enforcement

Background

Regulating Employment Agencies in Singapore



- **Employment Agencies Act (EAA)**
 - Enacted in 1959 and last amended in 2011
- **Objectives of EA Regulatory Framework**
 - Tackle unlicensed and errant EAs
 - Raise professionalism and accountability of EA industry
 - Regularise EA processes

1 Coverage

of Singapore's Employment Agency Regulatory Framework

Employment Agency Licensing Framework

Agent Fee Cap and Fee Refund

Penalties and Enforcement

Coverage

Singapore's Employment Agency Regulatory Framework

- **All EA activities carried out in Singapore must be licensed**
- **EA activity is generally classified as facilitating the placement of a worker with an employer**
 - Communication with any worker or employer for the purpose of assisting in job application
 - Collation or distribution of bio-data or resume of any worker for the purpose of employment
 - Work pass application on behalf of the employer or worker

Coverage

Exemptions From Licensing Requirements

- **List of entities under EAA Exemption Order**
 - Community Development Council
 - Employment and Employability Institute
 - Singapore Workforce Development Agency
- **Web-based job portals, job bulletin boards**
 - Not actively or directly involved in placement of workers with employers
 - Do not substantially influence outcome of employment terms and conditions

A Great Workforce A Great Workplace 

Coverage of Singapore's Employment Agency Regulatory Framework

2 Employment Agency Licensing Framework

Agent Fee Cap and Fee Refund

Penalties and Enforcement

© 2012 Government of Singapore 7

A Great Workforce A Great Workplace 



Employment Agency Licensing Framework

Two Classes of EA Licenses

1 Comprehensive License - Place all types of workers - Required to attain certification \$20K - \$60K security deposit	2 Select License - Place <u>only</u> local or foreign workers earning above \$7K - No requirement for certification \$20K security deposit
--	--

© 2012 Government of Singapore 8

Employment Agency Licensing Framework

Security Deposit

- **Select License - \$20K**
- **Comprehensive License**

	Condition	SD Amount
1	All new EAs within 1 st year of operation	\$60K
2	Place 200 or less foreign workers	\$40K
3	Accumulated 3 or less demerit points within 12 months	\$40K
4	EAs that meet both (2) and (3)	\$20K

Employment Agency Licensing Framework

Certification and Registration

- 1 Comprehensive licensees and staff must attain certification
- 2 All EA personnel must be registered with MOM
- 3 EAs must issue registration cards to staff
- 4 Staff can only register and work with one EA



Employment Agency Licensing Framework

Eligibility Criteria



- **Some key criteria to qualify as an EA staff include:**
 - Not an undischarged bankrupt
 - Not convicted of an offence involving dishonesty
 - Not convicted of an offence involving human trafficking
 - Not previously a key appointment holder of a revoked EA

Coverage of Singapore's
Employment Agency
Regulatory Framework

Employment
Licensing

3 Agent Fee Cap and Fee Refund

Penalties and
Enforcement

Employment Agency Fees

Fee Cap

- **Fees charged to employers**
 - No cap
- **Fees charged to workers**
 - Not more than 1 month salary per year for the duration of work pass or employment contract
 - Subject to a maximum of 2 months salary
 - EAs must issue receipts for all monetary transaction with workers

Employment Agency Fees

Fee Refund

- EAs must refund at least 50% of agency fees collected from the worker if employment is terminated within 6 months
- No refund if termination was requested or caused by worker
- Fee refund to be made within 7 working days of termination, or before repatriation for the case of a foreign worker

A Great Workforce A Great Workplace 

Coverage of Singapore's
Employment Agency
Regulatory Framework

Employment Agency
Licensing Framework

Agent Fee
Refund

4 Penalties and Enforcement

© 2012 Government of Singapore 15

A Great Workforce A Great Workplace 

Penalties and Enforcement

Key Offences

- 1 Unlicensed agents fetch a maximum fine of **\$80K**
- 2 Providing false information - **\$15K** fine
- 3 Overcharging of fees - **\$5K** fine
- 4 EA staff will also be held personally liable for offences
- 5 Offence for employers to engage workers through unlicensed agents



© 2012 Government of Singapore 16

A Great Workforce A Great Workplace 

Penalties and Enforcement

Enforcement Actions

- 1 Warning
- 2 Composition fines
- 3 Demerit Points
- 4 Suspension or revocation of license
- 5 Prosecute
- 6 Forfeiture of security deposits



© 2012 Government of Singapore 17

A Great Workforce A Great Workplace 



© 2012 Government of Singapore 18