

EMPLOYMENT AGENCY BULLETIN

News bulletin by the Ministry of Manpower for employment agencies.



EA Fined for Overcharging Workers

The Ministry of Manpower (MOM) has recently taken actions against an employment agency (EA) involved in a case of overcharging workers for services rendered by the EA.

Upon investigations, the EA was found to overcharge workers an amount exceeding the fee cap imposed on EAs. This is the first case involving an overcharging offence detected by MOM, under the new EA Regulatory Framework implemented in April 2011. The EA was issued with six demerit points and was required to top up his security deposit, in addition to a fine of \$5,000.

Under the new regulatory framework, EAs are only allowed to collect the stipulated fee amounting to one month's salary for each year of the period of validity of the foreign employee's work pass, subject to a maximum of two month's salary as agency fees. EAs found guilty of contravening these guidelines shall be liable on conviction to a fine not exceeding \$5,000. In addition to prosecution, they may risk losing their licence and security deposit.

Overcharging is a serious offence under the Employment Agencies Act (EAA). MOM is stepping up audits and stringent checks to ensure EAs comply with the law. All EAs shall ensure that itemised receipts are issued to the workers, stating the services rendered and amount collected, regardless of whether the fees are collected directly or indirectly from the workers. **EAs are reminded to retain these documents as part of MOM's audit checks.**