



PRESS STATEMENT

BY ASSOCIATION OF EMPLOYMENT AGENCIES (SINGAPORE) & CASETRUST

Model Agreements and Transparent Advertisements from Accredited Employment Agencies from 15 Sep 2006.

The accreditation scheme for Employment Agencies placing foreign domestic workers (FDWs) has been in place for three years since 2002. The two accreditation bodies, Association of Employment Agencies (Singapore) and CaseTrust have been gathering feedback from employers and agencies to improve the standards of employment agencies in Singapore.

It is a common grouse among consumers that contracts offered by different employment agencies in the market vary widely and there is often no basis for comparison between agencies. In addition, employers have often been attracted by attractive price promotions on advertisements by agencies, without knowing the terms and conditions tied to them. Conversely, some agencies have also found that despite their best efforts, some of their customers do not understand the terms of contract they have entered into.

To address these concerns, AEA(S) and CaseTrust are pleased to introduce two standard contracts and a set of price advertising guidelines to their accreditation schemes.

Standard Contracts

The standard contracts include:

1 **The Service Agreement** between the employment agency and the employer.

The key changes in the Service Agreement that would benefit employers include a well-defined replacement policy and a fairer refund policy which will improve service standards in the industry and reduce the possibility of disputes. The agreement will require individual EAs to provide a price schedule, detailing the breakdown of fees clearly to the employer.

2 **The Employment Contract** between the employer and the foreign domestic worker.

This contract is designed to help smoothen employer/employee relationships from the onset, by minimising any ambiguities on the employment terms. For example, the contract will include the stipulation of the minimum of one day-off entitlement for the Foreign Domestic Workers (FDWs). However, if the day-off is not taken, the employer will have to compensate the FDW in cash.

The standard contracts were crafted with due consideration given to the three stakeholders namely the Employers, FDWs and the Employment Agencies. The implementation of these contracts will create a level playing field resulting in greater professionalism among practitioners. In addition, should disputes arise on the contract, the matter will be referred to the accreditation bodies/ employment agencies for mediation. If parties fail to come to terms, the dispute can be brought to an alternative dispute resolution mechanism.

Mr Yeo Guat Kwang, President of CASE said, "With the introduction of these agreements, consumers can now be assured that important terms and conditions of the contract are spelt out when they sign up with any employment agency accredited by CaseTrust. This is in line with our continuous effort to promote fair-trading between consumers and businesses."

Mr Yeo, who is also the Chairman of NTUC Migrant Workers Forum, commended that the introduction of the Standard Employment Contract is a concrete step to further enhance the protection and well-being of FDWs in Singapore.

The President of AEA(S), Mr Gordon La Faber is also convinced that the standard service agreement will result in fewer disputes between Employers and EAs. By the same token, the standard employment contract will serve to enhance the employer-employee relationship.

Employment Agencies are not allowed to amend the Service Agreement or the Employment Contract without the prior approval of their accreditation body. Employment Agencies who make amendments to either document without prior approval of their respective accreditation bodies may have their accreditation status withdrawn.

Price Advertising Guidelines

To enhance transparency, accredited EAs who wish to publish their prices would be required to include four key items, namely, i) the service fee (i.e. the service fees charged by the agency as well as any local charges) ; ii) the placement fee (i.e. overseas recruitment costs for the FDW) ; iii) refund policy (to stipulate amount of refund and the timeframe of such refund, based on the worst case scenario); and iv) replacement policy (to include at least the maximum number of replacements allowed and the maximum validity period). This would apply to any form of medium visible from outside the agency's operating premise.

Promote Healthy Activities for FDWs

In conjunction with the introduction of these two standard contracts, AEA(S) with the support of the Foreign Domestic Worker Association for Skills Training (FAST) and other NGOs, will be distributing pamphlets to newly arrived FDWs highlighting constructive activities and courses available to them. These courses include domestic related activities such as learning new culinary skills to

self-improvement courses such as basic computer skills. The supporting NGOs and AEA(S) will continue in their endeavours to assist FDWs in finding productive ways to spend their days-off.

All employment agencies accredited by CaseTrust and AEAS are required to implement the standard contracts and adhere to the advertising guidelines **by 15 Sep 2006**.

For more information, please contact:

CaseTrust Department

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Association of Employment Agencies (Singapore)

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