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Singapore | Global Employer Services (GES) | 17 October 2018



GES Newsflash

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Greetings from your Tax & Legal team at Deloitte Singapore. We are pleased to update you on the following:

Singapore: Employment of foreign domestic workers to be subject to greater regulation

The Singapore Ministry of Manpower (MOM) will impose new work permit conditions on those who employ maids and other foreign domestic workers (FDWs).

Beginning in January, employers will be prohibited from keeping any money belonging to their FDWs, including salaries, even if requested for safekeeping by the employee.

- Implementation time frame: 1 January 2019.
- Visas/permits affected: Work permits for FDWs.
- **Business impact:** Companies whose employees hire FDWs should be aware of the new restrictions.

Background

The MOM said that the new policy would help avoid financial disputes between employers and their FDWs. The MOM is encouraging employers to assist to open bank accounts for their FDWs, and to pay the FDWs' salaries electronically.

Deloitte Singapore's view

Individuals who hire FDWs, including expatriate employees in Singapore, should prepare for the new rules and consider paying their household employees electronically. Employers of FDWs are encouraged to reach out to the MOM for additional information.

Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, your usual contact in Deloitte, or any member of the <u>Deloitte</u> <u>Singapore Tax & Legal team</u>.

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