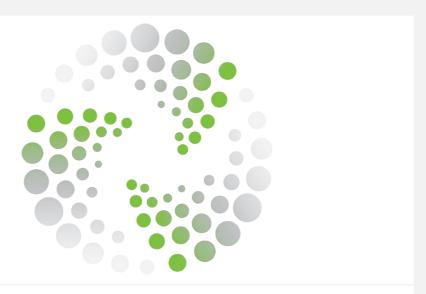


Singapore | Global Employer Services (GES) | 31 January 2020



GES NewsFlash

Proactive Perspective—It's what's needed most.

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

Government implements harsher penalties for violations of recruiting and hiring process

On 14 January 2020, Singapore announced increased penalties for discriminating against potential local job applicants, and for making false declarations when recruiting and hiring foreign nationals.

Singapore introduced the Fair Consideration Framework (FCF) in 2014 to combat discrimination against locals in the recruiting and hiring practices of companies. The government recently has increased penalties for employers and is actively following up on complaints of discrimination against local workers in the recruiting and hiring process. The FCF also addresses discrimination based on other factors, such as age and gender.

What does the change mean?

Employers should ensure that they are compliant with the FCF regulations when recruiting and hiring foreign nationals.

- Implementation time frame: Ongoing.
- Visas/permits affected: All work-related passes for foreign nationals.

- Who is affected: Singapore-based companies that employ or wish to recruit foreign nationals.
- Business impact: Companies found in violation of FCF regulations may face fines and be debarred from hiring new employees or renewing work-related passes for current foreign employees for up to 24 months.

Next steps: Companies should ensure that their Human Resources (HR) department carefully follows all regulations related to recruiting and hiring foreign nationals in Singapore.

Deloitte Singapore's view

The Ministry of Manpower updated the FCF earlier in January, and the changes include harsher penalties for violations. Employers and key personnel face up to two years imprisonment, a fine of SGD 20,000, or both for making false declarations. The minimum debarment period has increased from six to 12 months, and debarment from applying for new work-related permits now also extends to renewal applications. Companies may be debarred for up to 24 months in very serious cases.

Since 2014, Singapore's Tripartite Alliance for Fair and Progressive Employment Practices has taken action against employers in 680 cases.

Contacts

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

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