



### **MALAYSIA ISSUES NEW RULES ON HIRING OF FOREIGN WORKERS**

The Philippine Overseas Labor Office (POLO) in Malaysia has reported that the Malaysian government has implemented new rules on the hiring of foreign workers effective 01 August 2005. The salient features of the new rules are as follows:

- One-day approval of work permit is now assured, provided that all pertinent documents are submitted (e.g. name list of foreign workers and fully paid levis and visas) as compared to the previous two to four-week period of approval.
- Employers shall pay salaries directly to their domestic workers beginning the first month of service. Presently, employers remit the salaries for the first six months to the recruitment agencies.
- Employers shall be given the authority to source, directly interview and hire foreign workers. Under the old system, recruitment agencies source and provide foreign workers to the employers.
- Government levy for foreign domestic worker remain at RM360, but a higher levy of RM450 will be imposed for subsequent hiring.
- Recruitment fees for domestic workers shall be limited to a maximum of RM 2,500. Presently, recruitment agencies charge up to RM 5,000.
- Outsourcing companies shall be required to post bonds for each foreign worker, provide housing and a minimum salary (for laid-off workers) while the workers are out of job.
- Government levy to employers who hire workers in the service sector shall be increased, while levy to employers who hires workers in welfare homes service shall be reduced.
- The hiring of foreign golf caddies is prohibited.

These rules are part of the efforts of the Malaysian government to protect foreign workers from exploitation by recruitment agencies while striking a balance between dependency on foreign labor and providing more jobs to locals.