

Client Alert

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Jail Term for Company Director of "shell" Company for Employment of Foreign Manpower Act ("EFMA") Offence

Overview

On 17 April 2016, the Ministry of Manpower ("MOM") put out a press release stating that a company director was convicted for breaches of the EFMA due to the following activities:

1. Obtaining work passes for foreign workers without the intention of employing them and subsequently not providing them with actual employment; and
2. Collecting monies from the foreign workers for assisting them to obtain their work passes.

Investigations revealed that the company was a shell company with no projects, contracts, profits or losses and the sole purpose was to employ foreign employees with no intention of providing them any work.

He is currently sentenced to 27 months' jail for 5 charges of the offences, with the remaining 25 taken into consideration, and has been permanently barred from employing foreign workers.

Conclusion

Over the past year, the Singapore Government has taken tougher measures to tighten its immigration policy. These measures include but are not limited to the increased scrutiny of Employment Pass Applications, and the increase in monthly salary requirement to bring in the foreigner's family on Dependant's Passes, to name a few.

This is to ensure that any foreign workers who have obtained a work pass in Singapore are being legitimately employed by the respective companies listed in the applications. MOM takes a very serious view of employers who employ foreign workers without the intention to provide work for them. Offenders will be sentenced to imprisonment for 6 months or more, and face a fine of up to S\$6,000 for each offence. If convicted of 6 or more charges, caning may also be imposed.

In summary, employers should only proceed with the work pass applications for foreign workers to legally commence work with them, and not use the work pass application as a backdoor immigration route or for profiteering purpose, as evident in the case above.