



社会经济研究中心
SOCIO-ECONOMIC
RESEARCH CENTRE

Employer Mandatory Commitment (EMC)

JACCCI
9 March 2017



EMPLOYER MANDATORY COMMITMENT (EMC)

- As part of managing and improving the foreign workers ecosystem, EMC is being enforced to ensure that employers are fully responsible for their foreign workers (FW)
- Under the EMC, which was enforced on 1 Jan 2017, requires employers to pay the levy for FW and thus, no longer able to deduct levy from employees' wages
- Trade associations urged the Government to rescind the EMC
- Government agreed to **defer** the implementation of EMC to **1 Jan 2018** to give employers time to adjust

Main features of the EMC

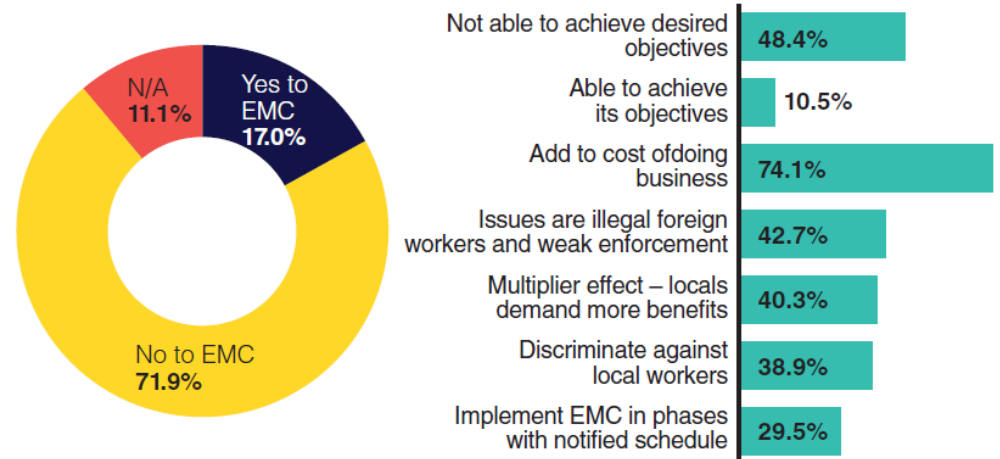
- employers to assume responsibility for their FW from the point of recruitment to their return upon the expiry of contract
- payment of the levy to be the responsibility of employers
- accommodation provided by employers to meet minimum standards set
- security deposit to be paid by employers hiring migrant workers

OUTSTANDING ISSUES NEED REDRESS

The industry stakeholders have reiterated their request for Government to address the following long-running issues of FW before implementing the EMC:

- Transparency in FW application process
- Process for the application of FW to be made simpler, assured and efficient
- The deferment gives Government's breathing space to deal with registration of illegal or undocumented workers
- Step up enforcement on illegal workers once the above issues have been fully addressed

Views on the Employer Mandatory Commitment



Employers have complained about the high cost of FW recruitment.

- Called for the elimination of profit-oriented private agents
- Manageable level re-hiring cost should be reduced to encourage employers to convert their illegal workers
- Cutting the overall cost of recruitment and simplifying the process can help reduce the high incidence of illegals. Also to ensure employers do not revert back to hiring illegals.

ENFORCEMENT CARD (E-CARD)

Government to issue **E-card** to employers applying to re-hire illegal FWs

- Open to illegals workers attached to employers in Peninsular Malaysia; must not blacklisted; passed a health screening; non-UNHCR card holder
- For **15 source countries** - Indonesia, Bangladesh, Philippines, India, Kazakhstan, Cambodia, Laos, Myanmar, Nepal, Pakistan, Sri Lanka, Thailand, Turkmenistan, Uzbekistan and Vietnam
- **Registration period is from 15 Feb up to 30 June 2017. Registration is free**
- E-card act as a validation for workers before they get legal documents from respective countries/embassies to enable employers to apply for rehiring legally
- E-card has security features such as biometrics, name of employer, company registration number, etc
- **E-card is only valid for 1 year, up to 15 Feb 2018.**
- Illegals face repatriation when E-card expires

With registration of illegals via E-card, we can have better control the number of FWs in the country





社会经济研究中心
SOCIO-ECONOMIC
RESEARCH CENTRE

谢谢
THANK YOU

**Address : 6th Floor, Wisma Chinese Chamber,
258, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.**

Tel : 603 - 4260 3116 / 3119

Fax : 603 - 4260 3118

Email : serc@accimserc.com

Website : <http://www.accimserc.com>

