



PERSATUAN BMI TOLAK OVERCHARGING

United Indonesians in Hong Kong Against Overcharging (PILAR-HK)

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1. Majority of foreign domestic workers are compelled, by policy of the government of their country of origin like the Philippines and Indonesia, to go through recruitment agencies for their employment to Hong Kong. Whether they are newly-arrived, with renewed contract, or returning after a pre-terminated contract, they are all required to go through private employment agencies. The only difference is that newly-arrived ones are bound to first go through employment agencies in their country of origin before being handed over to their counterpart HK-based agency.
2. Under this condition, FDWs are very much vulnerable to excessive charges or overcharging by recruitment agencies. This is very true for Indonesian migrant workers.
 - A. Newly-arrived Indonesian migrants are immediately handed over to the HK-based counterpart agency of the agency in Indonesia. Upon arrival or within a few days, the Indonesian domestic workers is taken to a financing agency, forced to take a loan usually amounting to HK\$21,000 and ordered to give a monthly repayment of HK\$3,000 for seven months.
 - B. For those with contract renewal or with pre-terminated contract, they get their employer through the same recruitment agency that was the counterpart of their Indonesian agency when they first came here.

There are unscrupulous HK-based agencies that charge a placement fee equivalent to two to five months' salary of the FDW paid through salary deduction. This is a violation of the HK policy that says that agencies can only charge a one-time payment of 10% of the minimum allowable wage (MAW) as placement fee. While the employer gains a record like a bank transaction that says that an FDW has been given the legal MAW that is currently set at HK\$3,920, the FDW is not given the full amount (usually around HK\$2,000).

3. Aside from overcharging, HK-based agencies or employers, as directed by the agency usually, also illegally keep the documents (like contract or passport) of the FDW to keep them tied up so that they can continue to get the money they charged to the FDW.
4. In this regard, PILAR recommends for the Legislative Council, through the Panel on Manpower, to:



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- A. Review the effectiveness of the implementation of the policy on placement fee for HK-based employment agencies and take the necessary actions to improve monitoring, investigation, and prosecution of agencies violating the policy
- B. Direct appropriate HK government agencies to seek dialogues with their counterparts from migrant-sending countries to address the connivance of agencies in HK and in countries of origin of FDWs. Overcharging should be treated as labour trafficking and thus, joint efforts of governments are imperative.
- C. Establish cooperative relations with migrant organizations and NGOs working with migrants to address overcharging including information sharing and making financial, technical and logistical resources available to assist migrant groups and CSOs in their work against overcharging of private recruitment agencies.

Person in charge

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