

Indonesia Embassy Bond

Protect your liability as an employer of a Indonesian domestic worker

As an employer of a Indonesian domestic worker, you are required to take up a **Indonesia Embassy Bond** with effect from **01Feb2018**. This function as an undertaking to the Indonesia Embassy to ensure you comply with the Standard Employment Contract for a Indonesian domestic worker.



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For EMPLOYER

To Purchase Indonesia Embassy Bond

<https://pmiprotection.indonesianlabour.sg>

Need the following:

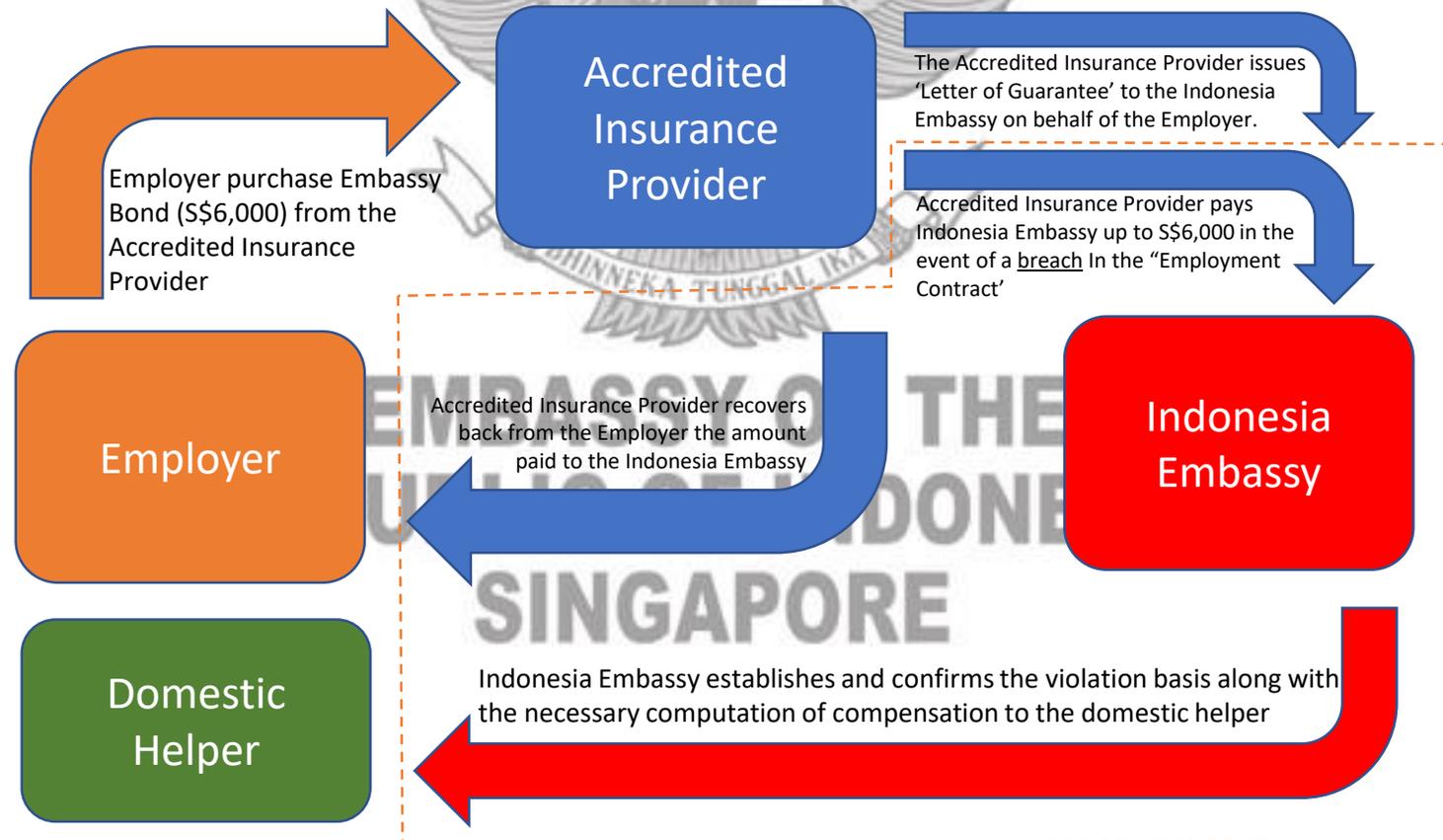
- 1) Employer's Detail
- 2) Employee's Detail
- 3) Credit/Debit Card Detail (Premium : \$70 before GST)



Terms and Conditions of Indonesia Embassy Security Bond

- In these terms and conditions, the “Employer” refers to the person named in the Guarantee as the employer of the Domestic Helper.
- The Employer intends to employ an Indonesian domestic helper (the “Domestic Helper”) and is required by the Indonesia Embassy of Singapore (the “Embassy”) to furnish the Embassy with a cash deposit of **S\$6,000** as security (the “Cash Security”) from the Employer under the terms of the Embassy’s Standard Employment Contract for the Domestic Helpers which is entered into between the Domestic Helper and the Employer (the “Contract”).
- The Accredited Insurance Provider agrees to act as the Employer’s guarantor by furnishing a **letter of guarantee** (the “Guarantee”) to the Embassy in lieu of the Cash Security which the Employer is required to provide the Embassy. The Guarantee shall be valid for 26 months from the time of issuance and be in the format as set out in the Schedule of this Agreement. In the event of a breach of the terms and conditions in the Contract by the Employer, the Accredited Insurance Provider shall, at the demand or request of the Embassy, make payment to the Embassy up to the sum of S\$6,000.00.
- The Employer shall pay the accredited Insurance Provider the sum of **S\$70.00 (excluding applicable Goods & Services Tax)** for the issuance of the Guarantee.
- No refund will be payable for any early termination of this contract.
- The employer agrees to fully indemnify and keep indemnified the Accredited Insurance Provider and its successors and assigns from and against all claims, payments, demands, actions, suits proceedings, losses and liabilities, cost and expenses whatsoever, including legal fees and expenses on a fully indemnity basis, (“Claims”) which may be incurred or became payable by the Accredited Insurance Provider under the Guarantee.
- The Employer agrees that any claim, demand or request by Embassy for payment of any sum of money up to S\$6,000 under the Guarantee shall be sufficient authority to the Accredited Insurance Provider for making any such payment to the Embassy without requiring or obtaining any evidence or proof that the amount so claimed or requested is due and payable, and without requiring any notice or reference to or further authority from the Employer notwithstanding that the Employer may dispute the validity of such claim, demand or request.
- The validity or legality of any payment by the Accredited Insurance Provider pursuant to the Guarantee shall not be challenged by the Employer, nor shall any liability hereunder be denied by the Employer, on the ground that such payment was not payable under such Guarantee or on any other grounds whatsoever.

- Upon the Accredited Insurance Provider's written demand to the Employer for such payment, the Employer shall make payment without any deduction whatsoever of any amount paid by the Accredited Insurance Provider under the Guarantee. Such amount shall constitute a debt from the Employer to the Accredited Insurance Provider. The Accredited Insurance Provider's written demand to the Employer shall be conclusive evidence of the amount owing and outstanding by the Employer to the Accredited Insurance Provider except in the face of manifest error. In the event that any amount is not paid by the due date, the Employer understands and agrees that the Accredited Insurance Provider may charge interest at 8% per annum on the outstanding amount from the due date until the date full payment is received by the Accredited Insurance Provider.
- The Employer shall not be discharged or release from his/her obligation under clause 6 above by reason of any composition or payment arrangement between the Accredited Insurance Provider and the Employer or any forbearance by the Accredited Insurance Provider, whether as to payment time, amount or otherwise.
- The Employer's obligation and liabilities hereunder are irrevocable and shall remain in full force and effect until such time that the Accredited Insurance Provider's obligations and liabilities under the Guarantee has been fully discharged.



New bond payment for those hiring maids from Indonesia

\$70 fee to kick in from Feb; employers who breach contract terms must pay full \$6k sum

Joanna Seow
Political Correspondent

From next month, employers of Indonesian maids will have to spend \$70 more when hiring a new helper or renewing a contract.

They have to make this one-off payment to an insurer for a new performance bond of \$6,000 that the Indonesian Embassy is implementing from Feb 1.

Employers will have to pay the full \$6,000 only if they breach the terms of the employment contract issued by the embassy, for instance, by failing to pay the maid's salary on time or abusing her.

When such breaches occur, the insurance company will pay the embassy first and subsequently claim the sum from the employer.

A spokesman for the Indonesian Embassy told The Straits Times that the bond is to better protect Indonesian migrant workers here by ensuring employers abide by the terms of

the contracts. The current contract terms include buying personal accident insurance for the helper, allowing her to practise her religion and not allowing her to clean the exterior of windows in high-rise homes.

The spokesman said the contract is being reviewed and will be finalised by Feb 1.

The embassy believes this new bond will not hinder the hiring of Indonesian maids, she added.

There are an estimated 120,000 Indonesian maids here.

The embassy here is the first among all Indonesian embassies to impose such a bond, the spokesman said, adding that no particular case had sparked the initiative, as the embassy "is constantly looking at ways to better protect its citizens".

The Philippine Embassy here has a similar bond that has been in place for more than two decades. Employers pay about \$40 to an insurer if they go through a maid agency, in lieu of a \$2,000 bond.

Aside from the country-specific

CALL FOR MORE SUSTAINABLE EFFORT

To change the culture and attitudes of employers, we need a more sustainable measure than bonds, or adding bureaucracy.



MS SHEENA KANWAR, executive director of the Humanitarian Organisation for Migration Economics, on the new bond.



bonds, employers also have to buy insurance for the \$5,000 security bond required by Singapore's Manpower Ministry (MOM).

When contacted, an MOM spokesman said the ministry is aware of the Indonesian Embassy's bond and is "seeking clarifications on the matter".

Maid agents said the rule will lead to higher costs for employers.

But the amount is not prohibitive, noted Singapore Accredited Employment Agencies Association president Lim Chee Chong.

Orange Employment Agency owner Shirley Ng said employers would have to abide by the embassy's rules or choose helpers of other nationalities.

Ms Sheena Kanwar, executive director of migrant worker advocacy group Humanitarian Organisation for Migration Economics, said the move seems well intentioned, but it does not help to change the negative feelings some employers have towards maids.

"To change the culture and attitudes of employers, we need a more sustainable measure than bonds, or adding bureaucracy," she said.

Some employers said it would be onerous to handle separate bond policies by both Singapore and foreign governments.

"Extra cost is never welcome to employers," said housewife Beatrice Mitschke, 47, who is considering hiring a new Indonesian maid later this year to help with chores and to care for her elderly father. She said the MOM bond already covers a pretty comprehensive range of issues, and suggested the two governments have a combined bond instead.

Another employer, jeweller Eileen Tjandra, 48, suggested the embassy impose the bond only on employers hiring maids new to Singapore.

"Those who have worked here before are more savvy, they know their rights and won't accept not being paid on time anyway," she said.

There are an estimated 120,000 Indonesian maids in Singapore. An Indonesian Embassy spokesman said the new bond is meant to better protect Indonesian migrant workers here by ensuring employers abide by the terms of the contracts.
ST FILE PHOTO

Before your helper arrives in Singapore, you must buy these for her:

- Security bond - \$5000
- Medical insurance – min \$15,000 per year
- Personal accident insurance – min \$60,000 per year

What is a security bond

A security bond is a binding pledge to pay the government (up to \$5000) if you break the law or the conditions governing the employment of a helper. You need a bond for every helper you employ, unless she is Malaysian.

Bonds usually take the form of an insurance. The insurers guarantee to pay the government should you break the rules; then the insurers pursue you for the money.

You cannot ask your helper to pay for the bond.



When the bond will be forfeited

Your security bond may be forfeited if:

- You or your helper violate any of the conditions of the Work Permit or security bond.

- You don't pay her salary on time.

- You fail to send her back when her Work Permit is expired, revoked or cancelled, or if she goes missing.

-

If the [helper goes missing](#), half of the security bond (\$2,500) will be forfeited if you have made reasonable effort to locate her and have filed a police report.

You will not be liable for your helper's violations (such as those relating to pregnancy) if you can prove that you have:

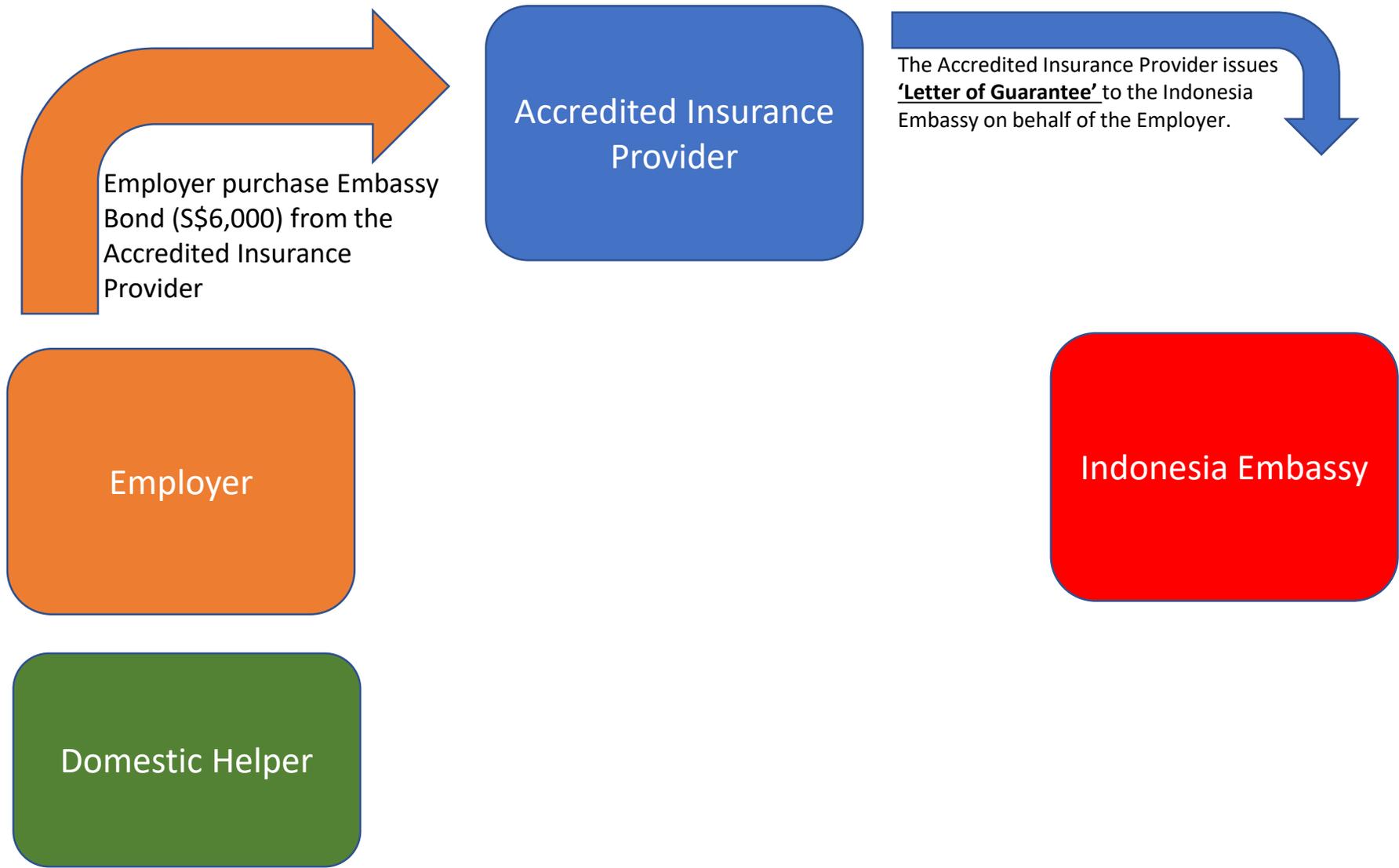
- Informed her of the Work Permit conditions she must comply with.

- Reported a violation when you first become aware of it.

Employer

Domestic Helper

Indonesia Embassy



Employer purchase Embassy Bond (S\$6,000) from the Accredited Insurance Provider

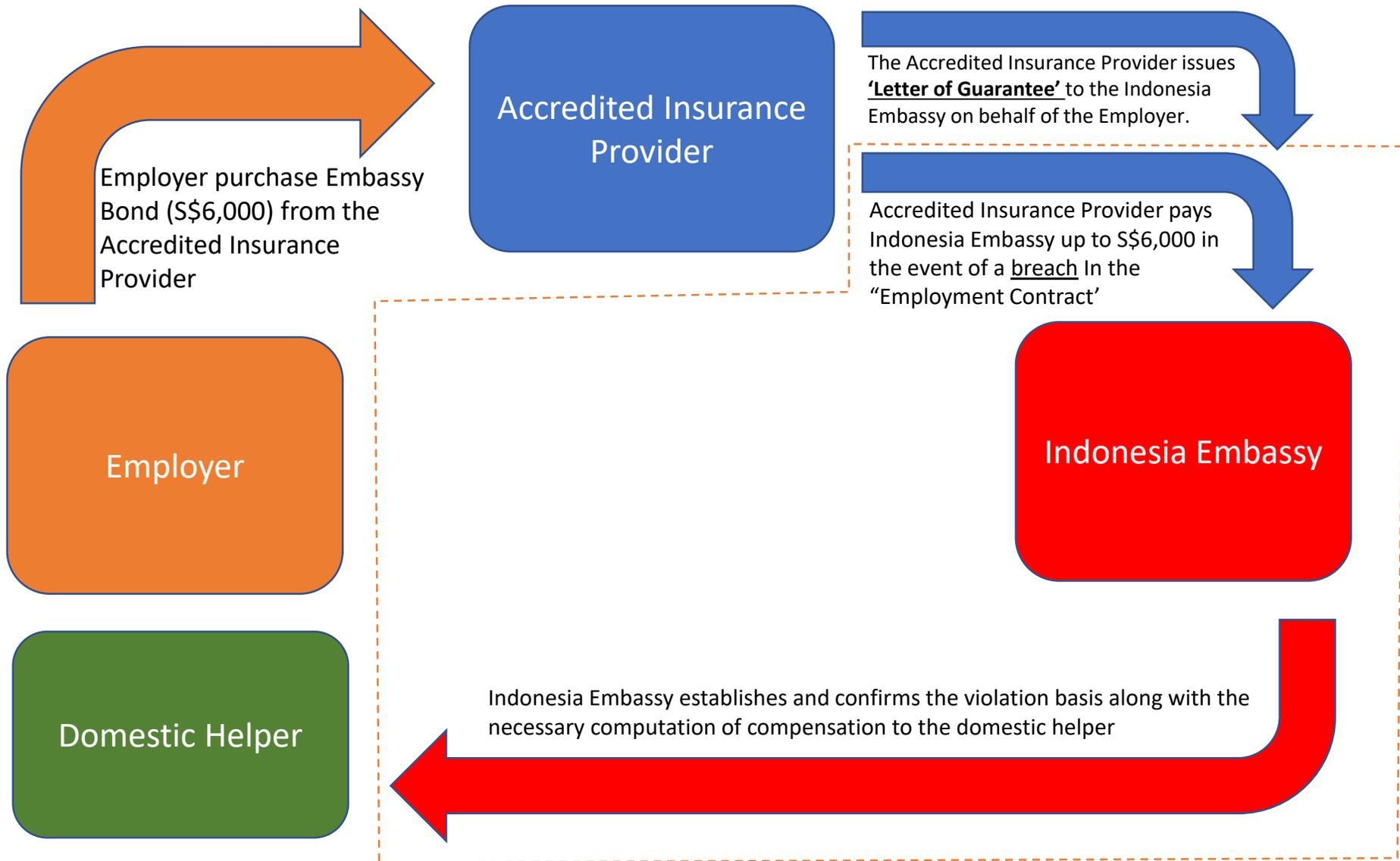
Accredited Insurance Provider

The Accredited Insurance Provider issues **'Letter of Guarantee'** to the Indonesia Embassy on behalf of the Employer.

Employer

Indonesia Embassy

Domestic Helper



Accredited Insurance Provider

Employer

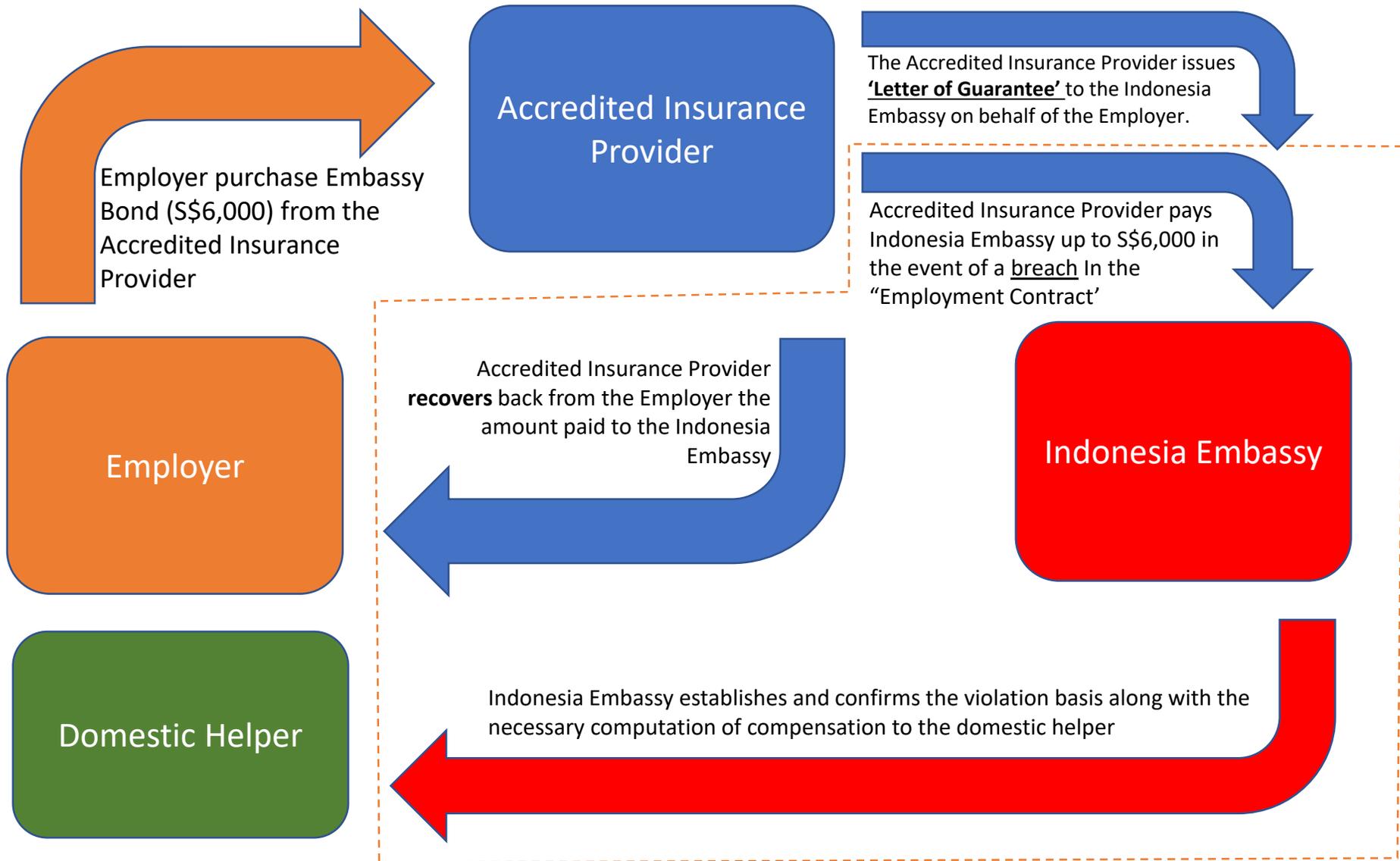
Domestic Helper

Indonesia Embassy

The Accredited Insurance Provider issues **'Letter of Guarantee'** to the Indonesia Embassy on behalf of the Employer.

Accredited Insurance Provider pays Indonesia Embassy up to S\$6,000 in the event of a breach in the "Employment Contract"

Indonesia Embassy establishes and confirms the violation basis along with the necessary computation of compensation to the domestic helper



Dear Customer,
Thank you for insuring with AIG.

We are pleased to enclose the Letter of Guarantee and Terms and Conditions of your application. You may view the attachment in this email by **entering your ID No. (in UPPER CASE).**

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| Premium inclusive of prevailing GST | \$74.90 |
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| Expiry Date | 22-07-2020 |

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New S\$6,000 performance bond for Indonesian domestic helpers is 'unnecessary', says MOM

SINGAPORE: The Indonesian Embassy here has introduced a S\$6,000 performance bond requirement on employers hiring foreign domestic workers (FDW) from their country, in a move Singapore believes is unnecessary, the Ministry of Manpower (MOM) said on Tuesday (May 8).

In its advisory, MOM said that the specific conditions under which the Indonesian Embassy may forfeit the performance bond are not clear.

There also appears to be a lack of mediation and dispute resolution process available to employers before the performance bond is forfeited," MOM said.

Indonesia is the second country to impose a performance bond requirement on their FDWs in Singapore. Employers of Filipino helpers have had to furnish either a S\$2,000 or S\$7,000 bond to the Philippines Embassy in Singapore since 1996. The amount is dependent on whether the helper was a direct-hire or employed through an agency.

MOM said that the current terms of the bond contract allow the embassy to demand up to S\$6,000 from the insurer, without requiring proof that any breach of the embassy's employment contract has occurred.

Source: CNA/fs (08May2018)



New bond for Indonesian helpers 'urgently necessary' to protect them: Indonesian Embassy

SINGAPORE: The Indonesian Embassy in Singapore said on Wednesday (May 9) that it is "urgently necessary" for a new S\$6,000 performance bond to be implemented on employers who hire Indonesian domestic helpers, as the move will allow it to "better protect" these migrant workers.

The embassy encounters many issues faced by its migrant workers in Singapore, it told Channel NewsAsia in response to queries.

Last year, it handled 1,579 cases from migrant workers who reported a range of issues including sexual and physical abuse, salaries being delayed for several months, being made to work for up to 20 hours a day and not being allowed to perform prayers.

"The numbers only reflect the tip of the iceberg," the embassy said.

"Many Indonesian domestic workers are reluctant to report any misconduct of their employers and/or agencies because they feel afraid or they are not aware of their rights," said the embassy. "This is urgent and the embassy perceives that it is urgently necessary to implement the new regulation in the form of performance bond," it added.

There are more than 120,000 Indonesian migrant workers in Singapore.

PERFORMANCE BOND WILL BE FORFEITED ONLY AS LAST RESORT

The Indonesian Embassy clarified on Wednesday that the performance bond is bound to the employment contract, which comprises the following clauses: A minimum salary of S\$500 per month, four off days in a month, three nutritious meals a day, the right of FDWs to care for her own personal belongings, permission to perform religious prayers, payment for medical fees, and making sure that FDWs are not allowed to perform tasks that may risk their lives, such as cleaning the exterior of windows.

However, the embassy will not automatically forfeit the bond, even if any one of those clauses is breached, it told Channel NewsAsia.

"We will conduct a mediation between both parties and in the case of any police or employment cases, the measure will be taken after the decision/verdict is issued (either by Court or Police or MOM)," it said.

"The performance bond will only be the last resort if after mediations, and the employer is not cooperative," said the embassy.

Forfeiture of bond will be last resort

PUBLISHED

MAY 15, 2018, 5:00 AM SGT

We refer to the report on the performance bond on employers who hire Indonesian foreign domestic workers in Singapore ([New bond for hiring Indonesian maids unnecessary, says MOM](#); May 9).

Despite efforts taken by the Indonesian Embassy, the number of cases of misconduct and abuse by employers of Indonesian foreign domestic workers has not reduced.

Last year, the embassy handled **1,579** such cases, including salaries not being paid for months and even years, sexual and/or physical abuse, foreign domestic workers working up to 19 to 20 hours a day and the restriction of religious prayers.

As of May 10, the embassy has seen 571 domestic workers seeking help for various reasons. As part of continual efforts to ensure the well-being of foreign domestic workers, the embassy implemented a performance bond on employers of domestic workers, working with employment agencies and the Ministry of Manpower (MOM) to enable its effective implementation.

The performance bond policy will be attached to the employment contract issued by the embassy.

The embassy will not recklessly forfeit the bond, should there be any breaches of the contract.

We will facilitate mediation and, for cases that involve the police or MOM, this will take place after a decision has been made or a verdict issued either by the court, the police or MOM.

Forfeiture of the performance bond will only be the last resort, if the employer involved remains uncooperative after mediation.

The embassy remains open to any clarification needed to help employers better understand the policy.

We would like to thank all stakeholders involved in the effort to better protect our migrant workers. Didit Parlambang

FAQ – INDONESIA EMBASSY BOND

1. What is an Indonesian Embassy Bond?

Indonesian Embassy Bond is a \$6K security bond, a mandatory requirement by the Indonesian Embassy for all employers to purchase for their Indonesian domestic helpers starting from 1 Feb 2018.

For \$70(excluding GST), covers Indonesian domestic helpers' welfare up to 26 months against breach of employment contract by the employers.

Examples : Not paying salary on time, not providing 3 meals a day, mistreatment and abuse.

Helpers are able to claim against employers up to \$6K.

2. Why do I need to purchase the bond? I am not here to renew my helper's contract.

It is a mandatory requirement by the Indonesian Embassy. All new and existing employers have to purchase.

FAQ – INDONESIA EMBASSY BOND

3. I already have a security bond of \$5K with MoM. It covers the helpers' welfare as well?

Firstly, the \$5K security bond is a requirement by Singapore MOM. In case of any breach of contract by the employers, employers will forfeit the \$5K to MoM.

Helpers receive no compensation in any form from MoM.

The bond amount called by the Embassy will go to the affected domestic helper.

4. What if I refuse to purchase?

With no bond purchase, helpers will not be able to apply for KPIS card and employment contract which are needed for re-entry to Singapore.

5. Why do Indonesian Helpers need the KPIS card and Employment Contract?

It is a mandatory for all Indonesian helpers to have the KPIS card and employment contract. Without these documents, re-enter to Singapore after their home leave will not be possible.

KPIS card and employment contract have to renew every 2 years.

FAQ – INDONESIA EMBASSY BOND

6. How will the bond be called?

The Indonesian Embassy will not recklessly and automatically forfeit the bond, shall there be any breaches of the clauses in the Employment Agreement between the employer and the helper. The Embassy will conduct mediation between both parties; and for any cases that involve police or MoM; the mediation will take place after the decision/verdict is issued (either by court, police or MoM). The Performance bond **WILL ONLY BE CALLED AS THE LAST RESORT** if after mediation, the employer is not cooperative.



Address: 7 Chatsworth Rd, Singapore 249761
Mondays to Fridays, 9am to 5pm, excluding Public Holidays
Indonesia Embassy Hotline : 6737 8020



AIG Hotline : (+65) 6419 3000
Mondays to Fridays, 9am to 5pm, excluding Public Holidays
Email : bond@aig.com.sg



Liberty Hotline (+65) 6221 8611
from Monday to Friday between 8:30AM to 5:30PM
Email : indobond@libertyinsurance.com.sg

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