

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF MALAYSIA
ON
THE RECRUITMENT AND PLACEMENT OF
INDONESIAN DOMESTIC WORKERS

The Government of the Republic of Indonesia and the Government of Malaysia, hereinafter referred to singularly as "**the Party**" and collectively as "**the Parties**";

REFERRING to the Agreed Minutes of the Seventh Meeting of the Joint Commission for Bilateral Cooperation between the Parties held in Kuala Lumpur on 18-20 February 2002 concerning the need for the relevant authorities of both countries to jointly review the Note of Agreement on the Guidelines on the Hiring of Indonesian Maids between Indonesia and Malaysia of 30 January 1996;

TAKING INTO ACCOUNT the Joint Statement of the Annual Consultation between the Prime Minister of Malaysia and the President of the Republic of Indonesia at Bukittinggi, Indonesia on 12-13 January 2006;

BELIEVING that the employment of domestic workers from the Republic of Indonesia in Malaysia shall be an area of cooperation which is mutually beneficial to both countries;

REALIZING that recruitment of domestic workers requires a separate framework to facilitate the selection, conveyance and recruitment of domestic workers from the Republic of Indonesia;

PURSUANT to the prevailing laws, rules, regulations, policies and directives of the respective countries;

HAVE REACHED AN UNDERSTANDING on the following matters:

Article 1

For the purpose of this Memorandum of Understanding (MOU):

"Domestic Workers" means a citizen of the Republic of Indonesia who is contracting or contracted to work in Malaysia for a specified period of time for specific individual as a domestic servant as defined in the Employment Act 1955, the Labour Ordinance Sabah (Chapter 67) and the Labour Ordinance Sarawak (Chapter 76).

"Employer" means any individual granted approval by the relevant authorities in Malaysia to employ Domestic Workers from the Republic of Indonesia.

"Indonesian Mission" means the Embassy of the Republic of Indonesia and/or Consulate General of the Republic of Indonesia and/or Consulate of the Republic of Indonesia, in Malaysia.

"Malaysian Mission" means the Embassy of Malaysia and/or Consulate General of Malaysia and/or Consulate of Malaysia, in Indonesia.

"Indonesian Recruitment Agency" (IRA) means an Indonesian recruitment agency approved by the Indonesian Government for the purpose of recruiting Indonesian Domestic Workers.

"Malaysian Recruitment Agency" (MRA) means a private employment agency licensed under the Private Employment Agency Act 1981 and approved by the Malaysian Government for the purpose of recruiting Domestic Workers from Indonesia.

"Work Pass" means a visit pass (temporary employment) issued by the Immigration Department of Malaysia (IDM) to permit the Domestic Worker to work in Malaysia.

Words and expressions in the singular include the plural, and words and expressions in the plural include the singular.

Article 2

The objective of this MOU is to develop the existing cooperation between the Parties for the purpose of strengthening the mechanism on the conveyance and recruitment of Domestic Workers from the Republic of Indonesia.

Article 3

The Parties agree that the recruitment of Domestic Workers for employment in Malaysia shall be conducted in accordance with this MOU.

Article 4

The Government of Malaysia recognizes that the Domestic Workers shall be employed in accordance with the terms and conditions of employment as provided under the relevant laws, rules, regulations, policies and directives relating to employment in Malaysia.

Article 5

1. Any Employer who wishes to employ a Domestic Worker without the service of MRA or through IRA must obtain prior approval from the relevant authorities in Malaysia. The relevant authorities shall, as soon as practicable, inform such approval to the Indonesian Mission.
2. The Parties agree that the implementation of the employment as referred to in paragraph 1, shall be dealt with by the Joint Working Group as stipulated in Article 12.

Article 6

The Government of the Republic of Indonesia agrees to ensure that the Domestic Workers who are offered for selection by the employer to work in Malaysia shall satisfy the following conditions prior to entry into Malaysia:

- (a) be at least 21 years of age but not more than 45 years of age;
- (b) possess sufficient knowledge of Malaysian laws, culture and social practices;
- (c) possess the ability to communicate either in Malay and/or English language;
- (d) satisfy Malaysian immigration procedures in Malaysia;
- (e) must be certified fit and healthy in accordance with the requirements of the relevant authorities in Malaysia and Indonesia; and
- (f) do not possess any previous criminal records.

Article 7

1. The Domestic Workers under employment in Malaysia shall comply with all Malaysian laws, rules, regulations, policies and directives; and respect Malaysian traditions and customs in their conduct as Domestic Workers in Malaysia.
2. The Employers shall comply with all Malaysian laws, rules, regulations, policies and directives.

Article 8

The Parties acknowledge that the responsibilities of the Employer, MRA, IRA and Domestic Workers for the purpose of the implementation of this MOU shall be in accordance with **Appendix A**.

Article 9

The Domestic Workers who are recruited under this MOU shall work in Malaysia:

- (a) for a specified period of time in accordance with the Contract of Employment as per **Appendix B**; and
- (b) subject to the terms and conditions of the Contract of Employment as per **Appendix B**.

Article 10

Subject to Article 9, the Domestic Workers may be allowed to continue working in Malaysia as required by the Employer.

Article 11

1. The Parties shall facilitate the repatriation of the Domestic Workers upon the termination of their Contract of Employment.
2. The respective Party shall take appropriate action against Employers or MRA or IRA or Domestic Workers that contravene the provisions of this MOU.

Article 12

1. The Parties agree to establish a Joint Working Group comprising the relevant officials from the respective Governments to discuss any matter arising from the implementation of this MOU.
2. The Joint Working Group shall meet from time to time and designate the venue and date of the meeting.

Article 13

Each Party reserves the right for reasons of national security, national interest, public order or public health to suspend temporarily either in whole or in part the implementation of this MOU which shall take effect immediately after notification has been given to the other Party through diplomatic channels.

Article 14

This MOU shall substitute and supersede the Notes of Agreement on the Guidelines on the Hiring of Indonesian Maids between Malaysia and Indonesia of 30 January 1996.

Article 15

This MOU may be amended, modified or revised by exchange of letters of mutual consent between the Parties through diplomatic channels. Such amendment, modification or revision shall come into force on such date as may be determined by the Parties.

Article 16

Any dispute arising out of the interpretation or implementation of this MOU shall be settled amicably through consultations or negotiations between the Parties without reference to any third party.

Article 17

1. This MOU shall enter into force on a date to be mutually agreed upon by the Parties, which shall be notified through the exchange of Diplomatic Notes.
2. This MOU shall remain in force for a period of five (5) years from the date of signing subject to extension by mutual agreement of both Parties.
3. Either Party may terminate this MOU by notification through diplomatic channels, which shall enter into force six (6) months after the date of such notification.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this MOU.

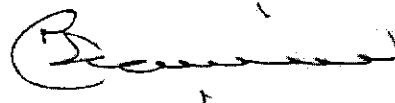
DONE at Bali, Indonesia on the 13th day of May in the year 2006, in Bahasa Indonesia, Bahasa Malaysia and English, all texts being equally authentic. In case of any divergence of interpretation of this MOU, the English text shall prevail.

**On Behalf of the Government of
the Republic of Indonesia**



Erman Suparno
**Minister of Manpower and
Transmigration
Republic of Indonesia**

**On Behalf of the Government
of Malaysia**



Dato' Seri Mohd Radzi bin Sheikh Ahmad
**Minister of Home Affairs
Malaysia**

APPENDIX A

A. Responsibilities of the Employer

- i. The Employer is responsible personally or through an authorised MRA to obtain the approval from the relevant authorities in Malaysia for the purpose of recruitment/employment of Domestic Workers.
- ii. Subject to article 5 of the MOU, the Employer may personally or through an authorised MRA recruit Domestic Workers in Indonesia through IRA.
- iii. The Employer shall pay the Domestic Workers monthly wages in the amount as agreed in the terms and conditions of the Contract of Employment.
- iv. The Employer shall sign the Contract of Employment in Malaysia before or at the time of commencement of employment and a copy of such contract shall be provided to the Domestic Workers.
- v. The Employer shall be responsible for the following payments:
 - (a) Transportation cost from the original exit point in Indonesia to the place of employment in Malaysia;
 - (b) Security deposits as required by the Immigration Department of Malaysia;
 - (c) Processing Fees;
 - (d) Work Pass;
 - (e) Medical examination for the purpose of renewal of the Work Pass; and
 - (f) Annual levy.
- vi. The Employer shall, in the event that the Domestic Workers are recruited pursuant to Article 5 of the MOU, be responsible for the necessary arrangement of the entry of the Domestic Workers upon arrival at the entry point in Malaysia and thereafter.
- vii. The Employer shall ensure the Domestic Workers undergo medical examination within one (1) month from the date of arrival in Malaysia as required by the Government of Malaysia.
- viii. The Employer shall, in the event that the Domestic Workers are recruited pursuant to Article 5 of the MOU, be responsible for the repatriation cost of the Domestic Worker who is not certified as fit and healthy from the medical examination conducted under paragraph vii above.

- ix. The Employer shall provide coverage for Domestic Workers under the Foreign Workers Compensation Scheme as prescribed by the Minister of Human Resources, Malaysia.
- x. The Employer shall ensure that Domestic Workers receive their foreign worker cards from the Immigration Department of Malaysia as soon as practicable and the card shall be kept by the Domestic Workers.
- xi. The Employer shall renew the Domestic Workers' Work Pass three (3) months before the expiry date. Any fee, penalty or compound due to the failure of the Employer to do so shall be borne by the Employer.
- xii. The Employer shall be responsible for the safe keeping of the Domestic Worker's passport and to surrender such passport to the Indonesian Mission in the event of abscondment or death of the Domestic Workers.
- xiii. The Employer shall bear the cost of using the services of MRA where applicable.
- xiv. In the event of death of the Domestic Workers, the Employer shall bear the cost of funeral or the repatriation of the remains of the Domestic Workers and such cost shall be reimbursed from the Foreign Workers Compensation Scheme.
- xv. The Employer shall at all times respect and pay due regards to the sensitivity of religious belief of the Domestic Workers, including the right to perform prayers and to refuse to handle and consume non-Halal food.
- xvi. The Employer shall provide the Domestic Workers with reasonable accommodation with basic amenities.
- xvii. The Employer shall provide the Domestic Workers with adequate rest.
- xviii. The Employer shall undertake that the Domestic Workers shall be employed for the purpose of household duties.
- xix. The Employer shall furnish the Malaysian Labour Department particulars of the Domestic Workers including the worker's next of kin within fourteen (14) days from the commencement of the employment.
- xx. The repatriation cost of the Domestic Workers from their place of work to their original exit point in Indonesia shall be borne by the Employer in accordance with the following circumstances:
 - a. at the completion of Contract of Employment;
 - b. termination of the Contract of Employment by the Employer; or

- c. termination due to non-compliance of the terms and conditions of the Contract of Employment by the Employer.
- xxi. The Employer shall, prior to leaving Malaysia to work in a foreign country and intending to bring together the Domestic Workers, do all things necessary to ensure the termination of the Work Pass and obtain the necessary approval from the Indonesian Mission.
- xxii. The Employer shall, as reasonably practicable, and if requested by the Domestic Worker, assist the Domestic Worker to open an account at any Malaysian financial institution.

B. Responsibilities of the Malaysian Recruitment Agency (MRA)

- i. MRA shall, upon request of the Employer, apply on behalf of the Employer approval from the relevant authorities in Malaysia for the purpose of recruiting/employing Domestic Workers.
- ii. MRA shall provide biodata of potential Domestic Workers according to the Employer's specification for the purpose of selection of the Domestic Workers.
- iii. MRA shall ensure that the Domestic Workers provided to the Employer fulfil the specification as required by the Employer.
- iv. MRA, shall be responsible for the arrangement of the entry of the Domestic Workers upon arrival at the entry point in Malaysia and thereafter.
- v. MRA shall provide a substitute Domestic Worker in the event of abscondment of the Domestic Worker or such Domestic Worker has been certified as medically unfit during the first three (3) months as agreed between MRA and the Employer.
- vi. MRA shall arrange for the renewal of Domestic Worker's Work Pass three (3) months before the expiry date if authorized by the Employer.
- vii. MRA shall maintain and update records of the Employer and the Domestic Workers including the Domestic Workers' next of kin. The MRA shall keep the Indonesian Mission informed on such update records.
- viii. MRA shall not instruct the Employer to deduct the Domestic Worker's wage save in accordance with the relevant laws.
- ix. MRA shall ensure that the Domestic Workers who are selected for employment in Malaysia are certified fit and healthy in accordance with the relevant authorities in Malaysia.

- x. MRA shall be responsible for the repatriation cost of the Domestic Workers who are not certified fit and healthy from the medical examination conducted under paragraph (ix) above.
- xi. MRA shall be responsible to ensure that the terms and conditions of the Contract of Employment are fully explained and understood by the Employer and Domestic Workers respectively.
- xii. MRA shall maintain a record on the placement of the Domestic Workers for purposes of inspection by relevant authorities in Malaysia.
- xiii. MRA shall comply with the fees for the recruitment and placement of Domestic Workers as agreed upon by the relevant Malaysian and Indonesian authorities.
- xiv. MRA shall not operate / conduct the business of recruitment and placement of Domestic Workers in Indonesia.

C. Responsibilities of the Indonesian Recruitment Agency (IRA)

- i. IRA shall be responsible to provide potential Domestic Workers according to the Employer's specification to be interviewed and/or selected by the Employer or MRA.
- ii. IRA shall be responsible on behalf of the Domestic Workers to obtain the necessary travel documents and to arrange for medical examination at the designated medical centers in Indonesia.
- iii. IRA shall ensure that the Domestic Workers who are to be interviewed and selected are certified fit and healthy by the medical authorities in Indonesia.
- iv. IRA shall be responsible to ensure that the terms and conditions of the Contract of Employment are fully explained and understood by the Domestic Workers during the selection exercise.
- v. IRA shall be responsible to furnish the Domestic Workers with a copy of their passport; the original contract of placement, information and particulars of Employer, and contact persons of the Indonesian Mission, MRA and IRA.
- vi. IRA shall provide a substitute Domestic Worker in the event of abscondment of the Domestic Worker or such Domestic Worker has been certified as medically unfit during the first three (3) months as agreed between IRA and MRA and/or the Employer.
- vii. IRA shall ensure that the Domestic Workers provided to the Employer fulfil the specification as required by the Employer.

- viii. IRA shall be responsible for the repatriation cost of the Domestic Workers who are not certified fit and healthy from the medical examination conducted under paragraph B(x) above.
- ix. IRA shall maintain and update records of the Employer and the Domestic Workers including the Domestic Workers' next of kin. The IRA shall keep the Malaysian Mission in Indonesia informed on such update records.
- x. IRA shall comply with the fees for the recruitment and placement of Domestic Workers as agreed upon by the relevant Malaysian and the Indonesian authorities.
- xi. IRA shall not operate/conduct the business of recruitment and placement of Domestic Workers in Malaysia.

D. Responsibilities of the Domestic Workers

- i. The Domestic Workers shall sign the Contract of Employment before the time of commencement of employment. A copy of such contract shall be provided to the Domestic Workers.
- ii. The Domestic Workers shall be responsible for the following payments:
 - (a) Visa;
 - (b) Travelling document and other related documentation imposed by the relevant authority in Indonesia;
 - (c) Medical examination prior to employment of the Domestic Worker's Work Pass;
 - (d) Accommodation and incidental expenses charged by IRA in Indonesia before departure;
 - (e) Transportation cost from the place of residence of the Domestic Workers to the original exit point in Indonesia; and
 - (f) Other expenses incurred in Indonesia.
- iii. Domestic Workers shall ensure a copy of the medical examination report is available to be shown upon request at the entry point.
- iv. The Government of Malaysia reserves the right to revoke the Work Pass in the event that the Domestic Workers marry in Malaysia during the period of employment.
- v. No members of family or any other person shall be allowed to stay with the Domestic Workers in the place of employment without the consent of the Employer.
- vi. The Domestic Workers shall be responsible to produce their foreign worker card for identification purposes to enforcement agencies whenever required during their stay in Malaysia.

- vii. The Domestic Workers shall abide by all Malaysian laws, rules, regulations and policies and respect Malaysian traditions and customs during their stay in Malaysia.
- viii. The Domestic Workers shall perform assigned responsibilities towards children, young persons and persons under their care in a responsible manner.
- ix. The repatriation cost of the Domestic Workers shall be borne by the Domestic Workers in the event of:
 - a. termination due to negligence or abuse of children and young persons or persons under their care;
 - b. resignation or abscondment of the Domestic Workers; or
 - c. termination of employment pursuant to paragraph 7 of the Contract of Employment.

APPENDIX B

CONTRACT OF EMPLOYMENT

This Contract is made on this _____ day of _____ in the year _____ between _____, I/C No. _____ of _____ (hereinafter referred to as the Employer) of the one part and _____, holder of Indonesian Passport No. _____ of _____ (hereinafter referred to as the Domestic Worker) of the other part.

IT IS HEREBY AGREED as follows:

1. Duration of the Contract

- (a) The Employer shall employ the Domestic Worker in accordance with the terms and conditions of this Contract and subject to the provisions of the relevant laws, regulations, rules, policies and directives of Malaysia;
- (b) This Contract shall commence from the date of the arrival of the Domestic Worker at the Employer's home;
- (c) The Domestic Worker shall continue in the employment under the terms and conditions of this Contract for a period of _____ (_____) years or until such time the Contract is terminated in accordance with the terms and conditions of this Contract.

2. Place of Work / Residence of Domestic Worker

The Domestic Worker shall work and reside only at _____ during the duration of the Contract.

3. Duties and Responsibilities of the Domestic Worker

- (a) The Domestic Worker shall work only with the Employer and shall not seek employment or be employed elsewhere;
- (b) The Domestic Worker shall comply with reasonable instructions of the Employer in the performance of the assigned household duties;

- (c) The Domestic Worker shall perform diligently, faithfully and sincerely all household duties assigned by the Employer which shall not include commercial activities;
- (d) The Domestic Worker shall not use or take advantage of the Employer's possessions without the Employer's permission;
- (e) The Domestic Worker is expected at all times to observe proper attire and shall be courteous, polite and respectful to the Employer and family members of the Employer;
- (f) The Domestic Worker shall abide by the laws, rules, regulations, national policies and directives of Malaysia and respect the customs and traditions of Malaysia;
- (g) In the event that the Domestic Worker marries in Malaysia during the period of employment, the Government of Malaysia reserves the right to revoke the Work Pass;
- (h) No member of family or any other person shall be allowed to stay with the Domestic Workers in the place of employment without the consent of the Employer.

4. Duties and Responsibilities of the Employer

- (a) The Employer shall provide the Domestic Worker with reasonable accommodation and basic amenities;
- (b) The Employer shall provide the Domestic Worker reasonable and sufficient daily meals;
- (c) The Employer shall not require the Domestic Worker to work or to be engaged in any activities other than that related to household duties;
- (d) The Employer shall insure the Domestic Worker with the Foreign Worker Compensation Scheme in respect of any medical expenses the Domestic Worker may incur in the event of an injury where such injury arises out of and in the course of employment;
- (e) The Employer shall at all times respect and pay due regard to the sensitivity of religious beliefs of the Domestic Worker, including the right to perform prayers and to refuse to handle and consume non-Halal food;

8. Termination of Contract by the Domestic Worker

The Domestic Worker may terminate this Contract without notice if:

- (i) the Domestic Worker has reasonable grounds to fear for his or her life or is threatened by violence or disease;
- (ii) the Domestic Worker is subjected to abuse or ill-treatment by the Employer; or
- (iii) the Employer has failed to fulfil his obligation under paragraph 5.

Provided always that the Domestic Worker terminating the Contract under this clause shall provide proof of existence of such situation upon request of the Employer.

9. General Provisions

- (a) Transportation cost from the Domestic Worker's original exit point in Indonesia to the place of employment shall be borne by the Employer.
- (b) In the event that the Contract is terminated by the Employer on the ground that the Domestic Worker has committed misconduct, the Domestic Worker shall bear the costs of his/her repatriation.
- (c) The repatriation cost of the Domestic Worker from the place of employment to the original exit point in Indonesia shall be borne by the Employer in the following circumstances:
 - (1) at the completion of Contract of Employment;
 - (2) termination of the Contract of Employment by the Employer; or
 - (3) termination due to non-compliance of the terms and conditions of the Contract of Employment by the Employer.
- (d) Any dispute arising between the Employer and the Domestic Worker concerning the grounds for termination of the Contract of Employment pursuant to Paragraph 7 or 8 of this Contract shall be dealt with in accordance with the applicable laws in Malaysia.
- (e) For the purpose of this Contract, the terms "original exit point" shall mean _____, in Indonesia.

10. Extension of the Contract

Notwithstanding the expiry of the duration of the Contract, the Employer and the Domestic Worker may agree that this Contract may be extended based on similar terms and conditions therein.

11. Time is Essence

Time whenever mentioned shall be essence of this Contract in relation to all provisions of this Contract.

12. Governing Law

This Contract is governed by, and shall be construed in accordance with the laws of Malaysia.

IN WITNESS WHEREOF, the parties to this Contract have hereunto affixed their signature this _____ day of _____ 20__.

Employer,

Domestic Worker,

Name :
Date :

Name :
Date :

Witnessed by,

Witnessed by,

Name :
Date :

Name :
Date :

** Note : A copy of this Contract must be submitted to the nearest Labour Department.*