

NEW MINISTERIAL CIRCULAR LETTER ON OUTSOURCING

Nov 19, 2013

The Minister of Manpower and Transmigration issued Circular No. SE.04/MEN/VIII/2013 on 26 August 2013 regarding Guidelines on Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Requirements for the Assignment of Part of Work to Other Companies ("**Circular Letter No. 04/2013**"). Circular Letter No. 04/2013 is just the implementation of Minister of Manpower and Transmigration Regulation Number 19 of 2012 which provides a more detailed explanation of the requirements for work which can be outsourced, the definition and steps in the flow of work processes, the procedure as well as the standard form for reporting outsourcing to the relevant manpower office, the requirements for outsourcing companies and outsourcing agreements, and the sanctions for violations. Please note that these outsourcing requirements and restrictions become fully effective on 19 November, 2013. Companies should ensure that their outsourcing arrangements are fully compliant.