

## COMPANIES ARE NOT ALLOWED TO HIRE PHANTOM LOCAL WORKERS

Dear Employer, industry practitioners and stakeholders,

This is a second advisory to all construction companies to remind them of their obligations under the Employment of Foreign Manpower Act (EFMA).

2 In 2024, four construction companies were investigated by the Ministry of Manpower (MOM) for making false CPF contributions to locals who did not perform any work for these companies, in an attempt to inflate their companies' qualifying foreign worker quota. **Financial penalties totalling \$225,000 were imposed on the individuals and companies** for their involvement in hiring phantom local workers. The companies were also **barred from hiring migrant workers**.

### Ongoing Vigilance

3 The authorities have been conducting regular inspections on companies suspected of hiring phantom local workers, and other offences under the EFMA. On 21 Jan 2025, MOM conducted raids at 37 locations and arrested a total of 11 people, including five Singaporean directors, from eight construction companies. The remaining six people, four Singaporeans and two permanent residents, were arrested for allegedly abetting the directors. **MOM will take strong actions against companies found to have contravened the EFMA. Companies' registration on BCA's Contractors Registration System (CRS) may also be affected.** Anyone who is aware of phantom worker activities or other offences under EFMA can report them to [MOM](#).

### Productivity Support Measures

4 Instead of circumventing the law to artificially inflate the foreign worker quota, companies should focus on implementing productivity measures to reduce the manpower demand. Many progressive employers have already transformed by adopting robotics, automation, productive technologies, and upskilling their workforce. In addition, more building owners and developers, including key government procuring entities (GPEs), are now stipulating such productive measures for their projects. Therefore, to remain competitive and thrive, companies need to focus on improving productivity.

5 Employers may refer to BCA's website for details on existing support<sup>[1]</sup> measures to help make the transition.

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<sup>[1]</sup> For detailed information about the BuildSG Transformation Fund, please visit [go.gov.sg/btf](https://go.gov.sg/btf).

Yours sincerely

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Yours sincerely

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