REPUBLIK INDONESIA

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF MANPOWER AND TRANSMIGRATION OF THE REPUBLIC OF INDONESIA
AND
THE MINISTRY OF LABOR OF THE REPUBLIC OF KOREA
ON
THE SENDING OF INDONESIAN WORKERS TO THE REPUBLIC OF KOREA UNDER THE EMPLOYMENT PERMIT SYSTEM

The Department of Manpower and Transmigration of the Republic of Indonesia and The Ministry of Labor of the Republic of Korea (hereinafter collectively referred to as the **"Sides"**)

Desiring to enhance the existing friendly relations between the two countries through cooperation in the field of labor affairs and human capacity building, based on the principle of equality and mutual benefit,

Recognizing the benefits to be derived from such cooperation by both countries;

Have reached an understanding on the following matters:

PARAGRAPH 1
Purpose

The purpose of this Memorandum of Understanding (hereinafter referred to as the "MOU") is to establish a concrete framework for cooperation between the Sides and to enhance transparency and efficiency in the process of sending Indonesian workers to the Republic of Korea (hereinafter referred to as "Korea"), by setting out the provisions for the Sides to follow concerning the sending of workers under the Employment Permit System for Foreign Workers (hereinafter referred to as the "EPS") in Korea.

PARAGRAPH 2
Definitions

For the purpose of this MOU,

1. the term "employer" refers to a business owner who obtains permission from the Ministry of Labor of Korea (hereinafter referred to as the "MOL") to employ foreign workers pursuant to the Act on Foreign Workers' Employment of Korea (hereinafter referred to as the "Foreign Employment Act") or a person who carries out specific tasks as a proxy of the business owner;

2. the term "job seeker" refers to a Indonesian national who wants to work in Korea pursuant to the Foreign Employment Act;

3. the term "worker" refers to a Indonesian national who has signed or intends to sign a labor contract with an employer in Korea for the purpose of working for a certain job specified under the EPS in Korea for a certain period pursuant to the Foreign Employment Act;

4. the term "sending agency" refers to an agency which has the authority to recruit and send workers who want to be employed in Korea pursuant to the Foreign Employment Act;

5. the term "receiving agency" refers to an agency which has the authority to manage the job seekers' roster and to receive Indonesian workers from a sending agency of Indonesia pursuant to the Foreign Employment Act;

6. the term "test agency" refers to an agency authorized by the MOL which is entrusted with the overall implementation of the EPS-Korean Language Test (hereinafter referred to as the "EPS-KLT") including making test announcements, receiving applications, making test questions, and conducting the test pursuant to the Foreign Employment Act; and

7. the term "resident officer" refers to a representative of the MOL or the receiving agency who is dispatched to Indonesia, on behalf of the MOL and the receiving agency pursuant to the Foreign Employment Act, to provide support for the process of sending and receiving Indonesian workers.

PARAGRAPH 3
Sending Agency and Receiving Agency

1. The Department of Manpower and Transmigration of the Republic of Indonesia (hereinafter referred to as the "DMT") is the government agency primarily responsible for sending Indonesian workers to Korea. However, in implementing this MOU, the Sides jointly decide that the DMT designates National Board for the Placement and Protection of Indonesian Overseas Workers (hereinafter referred to as the "NBPPIOW") as the sending agency.

2. The NBPPIOW is a government agency financed by the national budget and will be directly in charge of recruiting and sending the Indonesian workers. No other agency than the NBPPIOW can take part in the sending process under this MOU.

3. The MOL is the government agency primarily responsible for receiving Indonesian workers who are sent to Korea under the EPS. However, in implementing this MOU, the Sides jointly decide that the MOL designates the Human Resources Development Service of Korea (hereinafter referred to as the "HRD Korea") as the receiving agency.

4. The HRD Korea is an affiliated agency of the MOL financed by the national budget and will be directly in charge of managing the job seekers' roster and receiving Indonesian workers.

PARAGRAPH 4
Sending Fee

1. The DMT and the MOL will jointly decide the actual costs incurred in the process of receiving application and sending workers. The DMT will provide the MOL with information on the total amount of the sending fee per worker as well as a breakdown of the fee. The MOL can request the DMT to reduce the sending fee if the MOL deems that the fee includes unnecessary items or is assessed to be excessively high when considering Indonesia's economic situation (such as national income) and other countries' sending fees. .

2. The NBPPIOW will publicly announce in Indonesia the sending fee that was jointly decided by the DMT and the MOL.

3. When changes in the sending fee which has originally been jointly decided are inevitable due to inflation or other reasons, the DMT and the NBPPIOW will inform the MOL and consult on the matter in advance.

PARAGRAPH 5
Implementation of the EPS-KLT

1. The MOL will implement the EPS-KLT for an objective selection of job seekers pursuant to the Foreign Employment Act. For the implementation of the EPS-KLT, the MOL designates the HRD Korea as the test agency.

2. The DMT and the NBPPIOW will provide assistance and support in the following areas for the smooth implementation of the EPS-KLT:

   (a) DMT will;

      (i) facilitate the immigration process including visa issuance for staffs of the test agency or other personnel involved in implementing the test;
      (ii) exempt the EPS-KLT application fee from taxation and facilitate remittance, and
      (iii) provide other related assistance requested by the MOL and the test agency as agreed by the DMT.

   (b) NBPPIOW will;

      (i) Distribute and receive the EPS-KLT application form;
      (ii) Provide the sites for receive applications and conducting the tests, and maintaining order around the sites;
      (iii) Streamline customs clearance and exempt from customs duties on test-related materials that are brought into Indonesia for the EPS-KLT;
      (iv) Provide other related assistance requested by the MOL and the test agency as agreed by the NBPPIOW.

3. The MOL and the test agency will provide assistance and support as requested by the DMT and the NBPPIOW for the fair and efficient implementation of the EPS-KLT.

4. Qualifications for the EPS-KLT applicants are as follows:

   (a) persons aged from 18 to 39 (inclusive);

(b) persons who have not been convicted of a crime punishable by imprisonment or a more severe punishment;
(c) persons who have no record of deportation or departure orders from Korea; and
(d) persons who are not restricted from departure from Indonesia.

5. The EPS-KLT certificate will be valid for two years from the date when the test result is announced.

6. The test agency and the NBPPIOW may sign an EPS-KLT Service Commitment regulating specific matters regarding the implementation of the EPS-KLT.

7. If necessary, the test agency and the NBPPIOW will designate a public agency(s) to support EPS-KLT related work through prior consultation. The designated agency will carry out the EPS-KLT related work decided upon by the test agency and the NBPPIOW.

8. If disruption is caused in implementing the EPS-KLT due to lack of cooperation between the test agency and the NBPPIOW, or if the EPS-KLT cannot be implemented for certain reasons, the MOL may take necessary measures including the suspension of the EPS-KLT.

PARAGRAPH 6
Recruitment of Job Seekers

1. The NBPPIOW will prepare job seekers' roster (hereinafter referred to as the "roster") and send it to the HRD Korea.

2. When preparing the roster, the NBPPIOW will recruit job seekers who satisfy the following qualifications:

(a) persons who have passed the EPS-KLT, and
(b) persons who have passed the medical checkup determined by the MOL.

If the number of qualified job seekers exceeds the allocated number of the Indonesian job seekers on the roster, the selection will be made according to a method jointly decided upon by the Sides.

3. The roster prepared by the NBPPIOW will include the following information:

(a) job seeker's personal information (including name, nationality, date of birth, identification number and physical condition);
(b) a copy of the job seeker's passport;
(c) desired employment conditions (including wage and type of occupation);
(d) personal and career background (including education, work experience and certificates); and
(e) information on the EPS-KLT taken by the job seeker (including test date and score).

4. The NBPPIOW will inform the job seekers that their inclusion in the roster will not guarantee them any job in Korea.

5. The NBPPIOW will establish necessary IT infrastructure for installation and maintenance of SPAS (program for sending the roster), and the HRD Korea will send the relevant information to the NBPPIOW.

PARAGRAPH 7
Management of Job Seekers' Roster

1. The roster will be valid for one year.

2. When changes are made in the information on the roster, including job seekers' willingness to find jobs, their contact addresses, etc, the NBPPIOW will inform the HRD Korea of such changes and the reason for the changes.

3. The HRD Korea can return the roster to the NBPPIOW if there are any errors in the roster, and the NBPPIOW will correct those errors and send the roster back to the HRD Korea.

4. The MOL will inform the DMT of the types of occupations allowed under the EPS and the allocated number of Indonesian job seekers on the roster each year.

PARAGRAPH 8
Labor Contract

1. Each Employer will draw up a labor contract after selecting a worker on the roster and the HRD Korea will send the contract to the NBPPIOW.

2. The NBPPIOW will explain the content of the labor contract to each worker so that he/she can fully understand it and decide whether or not to sign the labor contract of his/her own free will.

3. Within 14 days of receiving the labor contract, the NBPPIOW will inform the HRD Korea whether each labor contract has been signed by the worker, or if not signed, the reason for not signing it. If the decision on the signing of the labor contract is not conveyed within 14 days, the HRD Korea may declare the contract unconcluded after consultation with the employer.

4. If any job seeker cancels a signed labor contract or does not sign a labor contract twice without any due reason, the HRD Korea can exclude him/her from the roster.

5. The NBPPIOW will provide the original copy of the labor contract to the worker who signed it and have him/her bring it when going to Korea.

PARAGRAPH 9
Preliminary Education

1. The NBPPIOW will conduct a preliminary education promptly for the workers who have signed labor contracts so that they can enter Korea in a timely fashion.

2. The NBPPIOW will decide the content and length of education through prior consultation with the MOL.

3. The NBPPIOW will either conduct the preliminary education by itself or select a public agency(s) to be entrusted with the preliminary education through prior consultation with the MOL.

PARAGRAPH 10
Visa Issuance

1. The NBPPIOW will inform the workers immediately after receiving the Certificate for Confirmation of Visa Issuance (hereinafter referred to as the "CCVI") from the HRD Korea and apply for visas for the workers at the Korean diplomatic mission in Indonesia with the required documents.

2. The HRD Korea can cancel the labor contract of any worker who does not apply for a visa within three months of the validity period of the CCVI.

3. If any worker issued CCVI decides not to go to Korea or is unable to go to Korea due to reasons such as the employer's cancellation of the labor contract, the NBPPIOW will cooperate in taking measures to cancel the CCVI as requested by the HRD Korea.

4. The NBPPIOW is the only organization authorized to assist in visa applications, and no other organizations can intervene in the process

PARAGRAPH 11
Entry of Workers

1. The NBPPIOW, in order to keep employers informed as to the progress of the workers' preparations for their entry into Korea, will input information into the EPS Network at every stage. Such Information will include the completion of preliminary education, visa applications, etc.

2. The NBPPIOW and the HRD Korea will confirm the entry date for workers who are issued the CCVI at least one week prior to their entry, taking into account the employment training schedule.

3. The NBPPIOW will take necessary measures, including making flight reservations in advance, to ensure that workers enter Korea on the scheduled date.

4. The NBPPIOW and the HRD Korea will continue to improve the sending process in an effort to shorten the period before workers may enter Korea.

5. The NBPPIOW and the HRD Korea will work closely together to facilitate reentry procedures for Indonesian workers who are reemployed pursuant to the Foreign Employment Act.

PARAGRAPH 12
Placement of Workers

1. The MOL will conduct employment training and medical checkup for workers before they start work. The organization(s) in charge of the employment training and medical checkups will be determined by the MOL.

2. In case workers with medical problems discovered during the medical checkup return to Indonesia, the HRD Korea will inform the NBPPIOW.

3. If a worker returns to Indonesia prior to the termination of his/her labor contract period for reasons such as problems in the medical checkup, or failure to adjust to the workplace, he/she will bear the general expenses including the airfare for his/her departure from Korea. If he/she is unable to afford such expenses the Indonesian government will assist in covering the cost of his/her return to Indonesia.

PARAGRAPH 13
Employment and Sojourn Management

1. The DMT and the NBPPIOW will ensure that all workers observe all laws of Korea including the Foreign Employment Act and the Immigration Control Act. The MOL and HRD Korea will protect foreign workers' rights in accordance with the related labor laws of Korea.

2. The Sides will make efforts for the employment and sojourn management of the Indonesian workers such as preventing workers from being absent without leave, encouraging their voluntary departure from Korea upon the expiry of their employment period, and reducing the number of illegal Indonesian workers residing in Korea.

3. The DMT and the NBPPIOW, in order to support the process of employment and sojourn management, may dispatch representatives to Korea. Specifics, such as the date and process concerning their dispatch as well as their roles, will be determined through consultations between the Sides in advance.

4. The MOL and the HRD Korea will provide cooperation, such as support in issuance of long-term visa, provision of related materials, and responses to interview requests in order to facilitate the tasks of the dispatched representatives.

5. The DMT and the NBPPIOW will make efforts for the reemployment of workers that voluntarily left Korea under Korea's Program for Voluntary Departure by listing them first in the roster.

6. The Sides will cooperate to ensure the smooth implementation of the Returnee Support Program conducted by the Korean government to help returning workers adapt to their home country.

7. If the number of Indonesian workers absenting themselves from their workplace without leave or staying illegally in Korea exceeds a certain percentage, which is the average of all sending countries, the MOL may take necessary measures such as the reduction of the allocated number of job seekers on the roster or the temporary suspension of the sending of workers.

PARAGRAPH 14
Support in the Sending and Receiving Process

1. The MOL, in order to support the process of sending Indonesian workers to Korea, may dispatch resident officers of the MOL or HRD Korea to Indonesia.

2. The resident officers, through consultations with the DMT and the NBPPIOW, may assist, monitor, and advise the labor sending process and assist reemployed workers with visa issuance and departure procedures. Specifics, such as the date and process concerning their dispatch, will be determined through consultations between the Sides in advance.

3. The DMT and the NBPPIOW will provide cooperation, such as issuance of long-term visa, provision of related materials, and responses to interview requests in order to facilitate the tasks of the dispatched officers.

PARAGRAPH 15
Efforts to Enhance the Transparency and Efficiency of the Sending and Receiving Process

1. The Sides will make efforts to ensure the transparency and efficiency of the sending and receiving process. In an effort to enhance transparency, the Sides may establish a complaint center where malpractices can be reported.

2. The DMT and the NBPPIOW will advertise the key contents and employment procedures of the EPS and the sending fee in Indonesia. Specifics, such as the advertising method and dates, will be decided through consultations with the MOL, the HRD Korea or resident officer.

3. The DMT and the NBPPIOW will assist the MOL, the HRD Korea or resident officer in advertising the EPS through means such as holding presentations in Indonesia.

PARAGRAPH 16
Establishment of Joint Working Group

1. The Sides agreed to establish a joint working group comprising relevant officials from the respective governments, including both missions, to discuss, review, and monitor matters concerning the implementation of the MOU with a view to intensifying coordination, enhancing transparency and increasing efficiency in the whole process of the sending of Indonesian workers to Korea as well as improving their labor protection.

2. The Joint Working Group shall meet at least twice a year or as may be mutually agreed upon.

3. The venue and date of the meeting shall be agreed by the Sides.

PARAGRAPH 17
General Provisions

1. With the abolishment of the Industrial Trainee System of Korea as of January 1, 2007, the status of Indonesian workers who have entered Korea under the system will be decided by the Korean government.

2. In case the Indonesian workers leave Korea without filing Departure Guarantee Insurance and Return Cost Insurance claims, the unclaimed insurance fund, after the extinctive prescription period, will be entrusted to the Indonesian government (Embassy of the Republic of Indonesia to Korea). The Indonesia government will make efforts to have the payments reimbursed to beneficiaries and inform the result to the MOL.

3. The NBPPIOW and the HRD Korea may sign an implementing instrument regulating specific matters regarding the process of sending and receiving the Indonesian workers.

4. The Sides may, jointly with relevant authorities if necessary, visit and assess each other's organizations at times jointly decided upon by the Sides to assess the implementation of this MOU.

5. Any differences or disputes which may arise in the interpretation or implementation of this MOU will be resolved through consultations between the Sides.

6. If matters that are not covered by this MOU arise in the sending and receiving process, or if some provisions of the MOU need to be revised, the Sides may revise or add supplementary provisions by mutual written consent.

PARAGRAPH 18
Entry Into Effect and Term of Validity

1. The MOU will come into effect on the date of the signature by the Sides.

2. As soon as this MOU takes effect, the MOU signed between the Sides on October, 9th, 2006 and the Implementing Agreement on the EPS-KLT signed between the Sides on Augustus 5th, 2005 will be terminated.

3. This MOU will remain in effect for two years. However, this MOU may be suspended or terminated by either Side if there is any justifiable reason, such as the violation of this MOU.

4. This MOU may be extended with the mutual written consent of the Parties.

Signed in duplicate at Seoul on this 9th day of September, 2008, in the English language.

For the Department of Manpower and Transmigration of the Republic of Indonesia

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For the Ministry of Labor of the Republic of Korea

Young Ho Lee