

**[ POEA MEMORANDUM CIRCULAR NO. 03, S. 2007,  
December 19, 2007 ]**

**PLACEMENT FEE POLICY FOR CANADA**

Pursuant to Governing Board Resolution No. 4, Series of 2001, a landbased agency is prohibited from charging and collecting any placement fee from workers who will be deployed in any country where the prevailing system, either by law, policy or practice, does not allow said charging and collection of any placement fee as it is the employer who defrays the cost of placement and recruitment services.

This was reiterated in Section 3 Rule V, Part II of the 2002 Rules and Regulations Governing the Recruitment and employment of Land-based Overseas Workers which provided that a recruitment agency may charge and collect from its hired workers as placement fee an amount equivalent to one month salary, exclusive of documentation costs, except where the prevailing system in the country where the worker is to be deployed, either by law or practice, does not allow charging or collection of placement and recruitment fee.

In this regard, the following have been established as law, policy, or practice in Canada:

1. Laws and regulations in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia prohibit the charging of recruitment and placement fees upon any person seeking employment;
2. Under the Pilot Project of the Government of Canada for the hiring of foreign workers in occupations that usually require a high school diploma or a maximum of 2 years of job-specific training (level C and D), the prevailing policy of the Government of Canada requires Canadian employers to cover all recruitment costs related to the hiring of the foreign workers under the Project.

Hence, agencies are prohibited from charging or collecting any recruitment and placement fee from workers to be deployed to said provinces of Canada or from workers under the Pilot Project, regardless of the province of destination in Canada.

Any violation of this issuance shall be a ground for cancellation of license under Section 2, Paragraph (c) Rule II, Part VI of the 2002 Rules.

For immediate compliance.

(SGD.) ROSALINDA DIMAPILIS-BALDOZ  
*Administrator*

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