
Company fined over foreigners' permits

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COMPANIES hiring foreigners should apply for working permits for their foreign employees before work starts, even if they outsource their human resource management, authorities said yesterday.

An interior-design company has been punished after most of the foreign employees in the newly opened firm were found not having working permits.

The employer argued that it had asked a human resource agency to take care of HR matters, and the company itself wasn't responsible.

"It's totally a wrong idea," said Sun Hande, director of the employment office for overseas workers in the Shanghai Human Resources and Social Security Bureau.

"All the companies that hire foreigners must apply for the working permits themselves. No agencies or other companies can handle it for them."

Chinese law requires foreigners, both full or part-time workers, to have a permit from the local human resources and social security bureau. Otherwise they can face penalties, including being fined, detained and even deported.

Each of the 40 employees involved was fined 500 yuan (US\$73) and the company was fined 40,000 yuan.

Human-resource insiders said agencies can handle certain things for expats, but not everything.

"HR agencies can provide outsourcing services like payment distribution and tax payment, but not signing the contract with the foreigners or helping to apply the working permits," said a consultant of the Shanghai International Enterprises Human Resources Consulting Co Ltd, who asked for anonymity.