

## CLIENT UPDATE 2016 OCTOBER

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### LABOUR

## MLVT Increases the Minimum Wage For 2017

On 29 September 2016, the Ministry of Labour and Vocational Training (“**MLVT**”) finally issued Prakas No. 414 on the increase in the minimum wage for year 2017 (“**Prakas**”). This Prakas is an update to the previous Prakas No. 409/15 on the minimum wage for year 2016.

Based on the new Prakas, the minimum wage for workers or employees in the textile, garment and footwear industries will increase by US\$5 (five US Dollars) starting from 01 January 2017. Therefore, the minimum wage will be US\$153 (one hundred and fifty three US Dollars) per month.

For workers or employees who are in the probation period, the minimum wage is US\$148 (one hundred and forty eight US Dollars) per month and it will be increased to US\$153 (one hundred and fifty three US Dollars) per month after the probation period.

However, workers or employees whose wage is based on the quantity of work done shall receive their monthly wage according to the actual quantity of products made. In case their actual wage is lower than the minimum wage determined by the MLVT, employers shall increase their wage to reach US\$148 (one hundred and forty eight US Dollars) per month for workers or employees who are in the probation period and US\$153 (one hundred and fifty three US Dollars) for regular workers or employees.

Currently, the minimum wage for the above sectors is US\$148. The minimum wage for these sectors is revised every year in accordance with the principle and mechanism agreed to between three parties: employers’ representatives, employees’ representatives and government’s representatives. There is no minimum wage that has been determined yet for other sectors besides the textile, garment and footwear industries.

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### Contacts



**Heng Chhay**  
Managing Partner

D (855) 23 963 112 / 113  
F (855) 23 963 116  
[heng.chhay@rajahtann.com](mailto:heng.chhay@rajahtann.com)



**Hout Sotheary**  
Partner

D (855) 23 963 112 / 113  
F (855) 23 963 116  
[hout.sotheary@rajahtann.com](mailto:hout.sotheary@rajahtann.com)

#### ***ASEAN Economic Community Portal***

With the launch of the ASEAN Economic Community (“AEC”) in December 2015, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch “Business in ASEAN”, a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN’s business landscape. Of particular interest to businesses is the “Ask a Question” feature of the portal which enables companies to pose questions to the three organisations which have an extensive network in the region. The portal can be accessed at <http://www.businessinasean.com/>.

## Our regional presence



## Our regional contacts

**RAJAH & TANN** | *Singapore*

**Rajah & Tann Singapore LLP**  
9 Battery Road #25-01  
Straits Trading Building  
Singapore 049910  
T +65 6535 3600 F +65 6225 9630  
sg.rajahtannasia.com

**R&T SOK & HENG** | *Cambodia*

**R&T Sok & Heng Law Office**  
Vattanac Capital Office Tower, Level 17, No. 66  
Preah Monivong Boulevard, Sangkat Wat Phnom  
Khan Daun Penh, 12202 Phnom Penh, Cambodia  
T +855 23 963 112 / 113 F +855 963 116  
kh.rajahtannasia.com  
*\*in association with Rajah & Tann Singapore LLP*

**RAJAH & TANN REPRESENTATIVE OFFICE** | *China*

**Rajah & Tann Singapore LLP  
Shanghai Representative Office**  
Unit 1905-1906, Shui On Plaza, 333 Huai Hai Middle Road  
Shanghai 200021, People's Republic of China  
T +86 21 6120 8818 F +86 21 6120 8820  
cn.rajahtannasia.com

**RAJAH & TANN NK LEGAL** | *Myanmar*

**Rajah & Tann NK Legal Myanmar Company Limited**  
Myanmar Centre Tower 1, Floor 07, Unit 08,  
192 Kaba Aye Pagoda Road, Bahan Township,  
Yangon, Myanmar  
T +95 9 73040763 / +95 1 657902 / +95 1 657903  
F +95 1 9665537  
mm.rajahtannasia.com

**ASSEGAF HAMZAH & PARTNERS** | *Indonesia***Assegaf Hamzah & Partners**

*Jakarta Office*  
Menara Rajawali 16th Floor  
Jalan DR. Ide Anak Agung Gde Agung Lot #5.1  
Kawasan Mega Kuningan, Jakarta 12950, Indonesia  
T +62 21 2555 7800 F +62 21 2555 7899  
www.ahp.co.id

*Surabaya Office*  
Pakuwon Center, Superblok Tunjungan City  
Lantai 11, Unit 08  
Jalan Embong Malang No. 1, 3, 5, Surabaya 60261, Indonesia  
T +62 31 5116 4550 F +62 31 5116 4560

*\* Assegaf Hamzah & Partners is an independent law firm in Indonesia and a member of the Rajah & Tann Asia network.*

**CHRISTOPHER & LEE ONG** | *Malaysia***Christopher & Lee Ong**

Level 22, Axiata Tower, No. 9 Jalan Stesen Sentral 5,  
Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia  
T +60 3 2273 1919 F +60 3 2273 8310  
www.christopherleeong.com

*\*in association with Rajah & Tann Singapore LLP*

**RAJAH & TANN** | *Thailand***Rajah & Tann (Thailand) Limited**

973 President Tower, 12th Floor, Units 12A-12F  
Ploenchit Road, Lumpini, Pathumwan  
Bangkok 10330, Thailand  
T +66 2 656 1991 F +66 2 656 0833  
th.rajahtannasia.com

**RAJAH & TANN** | *Lao PDR***Rajah & Tann (Laos) Sole Co., Ltd.**

Phonexay Village, 23 Singha Road, House Number 046/2  
Unit 4, Saysettha District, Vientiane Capital, Lao PDR  
T +856 21 454 239 F +856 21 285 261  
la.rajahtannasia.com

**RAJAH & TANN LCT LAWYERS** | *Vietnam***Rajah & Tann LCT Lawyers**

*Ho Chi Minh City Office*  
Saigon Centre, Level 13, Unit 2&3  
65 Le Loi Boulevard, District 1, HCMC, Vietnam  
T +84 8 3821 2382 / +84 8 3821 2673 F +84 8 3520 8206

*Hanoi Office*  
Lotte Center Hanoi - East Tower, Level 30, Unit 3003,  
54 Lieu Giai St., Ba Dinh Dist., Hanoi, Vietnam  
T +84 4 3267 6127 F +84 4 3267 6128  
www.rajahtannlct.com

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