

Contracting With Self-employed Persons



Purpose

1. The growth of the platform economy creates opportunities for businesses, consumers and workers, in particular self-employed persons (SEPs)¹. To ensure the sustainability of the economy of self-employed work, businesses whether as service buyers or intermediaries², and SEPs must fulfil their obligations.
2. Businesses should set out their arrangement with SEPs clearly to lend clarity to the expectations and conduct of the relationship. Clearer obligations and duties foster better working relationships between businesses and SEPs, and enable SEPs to provide better services. SEPs on their part should fulfil their obligations and duties in a responsible manner.

Specifications

3. Terms of products or services to be delivered are discussed with SEPs. The terms agreed upon are documented in written key terms and provided to SEPs before any products or services are delivered.
4. The written key terms are set out clearly and include the following:
 - i. Names of contracting parties;
 - ii. Parties' obligations, such as nature of services to be provided (e.g. outcome; duration; location);
 - iii. Payment
 - a. Amount of payment due for each product or service (or part thereof);
 - b. Due date of payment(s) (e.g. a fixed number of days after the SEP issues an invoice for delivered services or milestones, or periodic payments for services rendered during that period);
 - iv. If terms on variation of the agreement are provided for, how either party can vary the key terms or terminate the agreement (e.g. by mutual agreement);
 - v. If terms for resolving disputes are provided for, the option for mediation should be made available, without it being a barrier to either party bringing any dispute directly to the Small Claims Tribunals³.

Key Terms of Engagement Form Template for Self-Employed Persons (SEPs)

To shape better contracting norms and aid in the event of payment disputes, the Ministry of Manpower (MOM) has developed a key terms of engagement **form template** for SEPs.

The form template was developed in accordance with the Tripartite Standard on Contracting with SEPs (TS SEPs), and details the key terms of engagement that should be provided in a written contract.

SEPs can use the form template to request that service-buyers provide in writing the key terms of engagement. Service-buyers who wish to provide their SEPs with written agreements, but do not know how to do so, can use the form template as a guide. Users of the form template can further customise it to suit the needs of their engagements.

In addition to the above, service-buyers who use the form template and include all suggested terms in Section A – E are ready to adopt the TS SEPs, and we encourage them to do so. MOM also encourages SEPs who use the form template to encourage their service-buyers to adopt the TS SEPs.

¹ Self-employed persons (SEPs) operate their own trade or business, and include freelancers such as graphic designers, sport coaches and tourist guides.

² Businesses may be service buyers that procure services from SEPs directly, or intermediaries that facilitate provision of services by SEPs to service buyers.

³ The Small Claims Tribunals were established to provide an affordable and expeditious forum for resolution of smaller value disputes, including disputes between SEPs and businesses.