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PRESIDENTIAL DECREE NO. 1691

FURTHER AMENDING CERTAIN PROVISIONS OF BOOKS I, III, AND V OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

WHEREAS, under Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, labor laws were re-oriented to meet the needs of socio-economic development and social justice;

WHEREAS, to attain the objectives of the Labor Code, new institutions were created within the organizational framework established by Presidential Decree No. 1;

WHEREAS, on the basis of accumulated experience and the impact of domestic and international developments on national economic and social stability, there is now an urgent need to amend further the Labor Code for the purpose of instituting certain critical structural-functional changes in the Ministry of Labor to enable it to cope with these developments in an effective, efficient and economical manner.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. Articles 15, 17, 20 and 35 of Book I of the Labor Code are hereby amended to read as follows:

“Article 15. Bureau of Employment Services. — (a) The Bureau of Employment Services shall be primarily responsible for developing and monitoring a

comprehensive employment program. It shall have the power and duty:

1. To formulate and develop plans and programs to implement the employment promotion objectives of this Title;
2. To establish and maintain a registration and/or licensing system to regulate private sector participation in the recruitment and placement of workers, locally and overseas, and to secure the best possible terms and conditions of employment for Filipino contract workers and compliance therewith under such rules and regulations as may be issued by the Minister of Labor;
3. To formulate and develop employment programs designed to benefit disadvantaged groups and communities;
4. To establish and maintain a registration and/or work permit system to regulate the employment of aliens;
5. To develop a labor market information system in aid of proper manpower and development planning;
6. To develop a responsive vocational guidance and testing system in aid of proper human resources allocation; and
7. To maintain a central registry of skills, except seamen.

(b) The regional offices of the Ministry of Labor shall have the original and exclusive jurisdiction over all matters or cases involving employer-employee relations including money claims, arising out of or by virtue of any

law or contracts involving Filipino workers for overseas employment except seamen: Provided, That the Bureau of Employment Services may, in the case of the National Capital Region, exercise such power, whenever the Minister of Labor deems it appropriate. The decisions of the regional offices or the Bureau of Employment Services if so authorized by the Minister of Labor as provided in this Article, shall be appealable to the National Labor Relations Commission upon the same groups provided in Article 223 hereof. The decisions of the National Labor Relations Commission shall be final and inappealable.

(c) The Minister of Labor shall have the power to impose and collect fees, based on rates recommended by the Bureau of Employment Services. Such fees shall be deposited in the National Treasury as a special account of the General Fund, for the promotion of the objectives of the Bureau of Employment Services, subject to the provisions of Section 40 of Presidential Decree No. 1177.”

“Article 17. Overseas Employment Development Board. — An Overseas Employment Development Board is hereby created to undertake, in cooperation with relevant entities and agencies, a systematic program for overseas employment of Filipino workers in excess of domestic needs and to protect their rights to fair and equitable employment practices. It shall have the power and duty:

1. To promote the overseas employment of Filipino workers through a comprehensive market promotion and development program;
2. To secure the best possible terms and conditions of employment of Filipino contract workers on a government to government basis and to ensure compliance therewith;
3. To recruit and place workers for overseas employment on a government-to-government

arrangement and in such other sectors as policy may dictate; and

4. To act as secretariat for the Board of Trustees of the Welfare and Training Fund for Overseas Workers.”

“Article 20. National Seamen Board. — (a) A National Seamen Board is hereby created which shall develop and maintain a comprehensive program for Filipino seamen employed overseas. It shall have the power and duty:

1. To provide free placement services for seamen;
2. To regulate and supervise the activities of agents or representatives of shipping companies in the hiring of seamen for overseas employment; and secure the best possible terms of employment for contract seamen workers and secure compliance therewith;
3. To maintain a complete registry of all Filipino seamen.

(b) The Board shall have original and exclusive jurisdiction over all matters or cases including money claims, involving employer-employee relations, arising out of or by virtue of any law or contracts involving Filipino seamen for overseas employment. The decision of the Board shall be appealable to the National Labor Relations Commission upon the same grounds provided in Article 223 hereof. The decisions of the National Labor Relations Commission shall be final and inappealable.”

“Article 35. Suspension and/or Cancellation of License or Authority. — The Minister of Labor shall have the power to suspend or cancel any license or authority to recruit employees for overseas employment for violation of rules and regulations issued by the Minister of Labor, the Overseas Employment Development Board, and the

National Seamen Board, or for violations of the provisions of this and other applicable laws, General Orders and Letters of Instructions.”

SECTION 2. Article 128, paragraph (b) of Book III of the Labor Code is hereby amended to read as follows:

“(b) The Minister of Labor or his duly authorized representatives shall have the power to order and administer, after due notice and hearing, compliance with the labor standards provisions of this Code based on the findings of labor regulation officers or industrial safety engineers made in the course of inspection, and to issue writs of execution to the appropriate authority for the enforcement of their order, except in cases where the employer contests the findings of the labor regulation officer and raises issues which cannot be resolved without considering evidentiary matters that are not verifiable in the normal course of inspection.”

SECTION 3. Articles 217, 222 and 262 of Book V of the Labor Code are hereby amended to read as follows:

“Article 217. Jurisdiction of Labor Arbiters and the Commission. — (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;
2. Unresolved issues in collective bargaining, including those that involve wages, hours of work and other terms and conditions of employment;
3. All money claims of workers, including those based on non-payment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for

employees compensation, social security, medicare and maternity benefits;

4. Cases involving household services; and
5. All other claims arising from employer-employee relations, unless expressly excluded by this Code.

(b) The Commission shall have exclusive appellate-jurisdiction over all cases decided by Labor Arbiters, compulsory arbitrators, and voluntary arbitrators in appropriate cases provided in Article 263 of this Code.”

“Article 222. Appearances and Fees. — (a) Non-lawyers may appear before the Commission or any Labor Arbiter only:

1. If they represent themselves; or
2. If they represent their organization or members thereof.

(b) No attorneys fees, negotiation fees or similar charges of any kind arising from any collective bargaining negotiations or conclusion of the collective agreement shall be imposed on any individual member of the contracting union: Provided, however, that attorney’s fees may be charged against union funds in an amount to be agreed upon by the parties. Any contract, agreement or arrangement of any sort to the contrary shall be null and void.”

“Article 262. Grievance Machinery. — All disputes, grievances or matters arising from the implementation or interpretation of a collective bargaining agreement including all matters concerning disciplinary action imposed or to be imposed on members of the contracting union shall be threshed out in accordance with the grievance procedure provided in such agreement. Where there is no collective bargaining agreement and in cases

where the grievance procedure as provided herein does not apply, all such matters should be subject to conciliation and arbitration as provided elsewhere in this Code.”

SECTION 4. This Decree shall take effect immediately.

DONE in the City of Manila, this 1st day of May, in the year of Our Lord, Nineteen Hundred and Eighty.

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