



**GOVERNING BOARD RESOLUTION NO. 07**  
Series of 2003

**WHEREAS**, under Article 18 of the Labor Code, as amended, no employer may hire a Filipino worker for overseas employment except through the POEA and entities authorized by the Secretary of Labor;

**WHEREAS**, under Section 3(f) of Executive Order No. 247, series 1987, the Administration is empowered to recruit and place workers to service the requirement for trained and competent Filipino workers by foreign governments and their instrumentalities and such other employers as public interest may require;

**WHEREAS**, under Section 1, Rule 1 Part IV of the 2002 POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers, the Administration is empowered to recruit and place workers primarily on government-to-government arrangements in servicing the hiring of foreign instrumentalities, and also to recruit and place workers for foreign employers in such sectors as the policy may dictate;

**WHEREAS**, all employers, whether foreign government instrumentalities or private, hiring through the POEA, undertake the recruitment and placement of workers through the facilities of the Government Placement Branch, the in-house recruitment arm of the POEA;

**WHEREAS**, Section 3, Rule 1 Part IV of the 2002 POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers also provides for the establishment of the Foreign Employer's Guarantee Trust Fund (FEGTF) for all workers hired on a government-to-government arrangement for the purpose of covering monetary claims of the workers arising from breach of contractual obligation. Said Fund, however, does not include within its coverage workers hired by private foreign employers through the POEA-GPB;

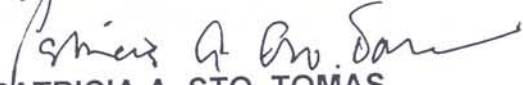
**WHEREAS**, there is a vital need to provide a similar Foreign Employer's Guarantee Trust Fund for workers hired by private foreign employers through the POEA-GPB for the purpose of covering the monetary claims of the workers arising from breach of contractual obligations.

**NOW THEREFORE**, the POEA Governing Board, in a meeting duly convened, resolved, as it hereby resolves to authorize:


- a) The establishment of Foreign Employer's Guarantee Trust Fund (FEGTF) for workers hired by private foreign employers through the POEA-GBP for the purpose of covering the monetary claims of the workers arising from breach of contractual obligations;
- b) The Administrator to formulate the joint implementing guidelines for the establishment of Foreign Employer's Guarantee Trust Fund for workers hired thru government-to-government arrangement and those hired by private foreign employers both through the facilities of the POEA-GBP, in coordination with the Department of Labor and Employment, Department of Finance, Department of Budget and Management, the Commission on Audit and the Overseas Workers Welfare Administration;
- c) The Administrator to collect from foreign employers a minimum of USD 50.00 for each worker hired thru the facilities of the POEA-GBP and which shall constitute the Fund.

Said Fund shall be deposited in Trust in the National Treasury as Special Trust Account and shall be managed and disbursed by the POEA in accordance with accounting and auditing rules and regulations, subject to the joint circular to be issued by the Department of Labor and Employment together with the Department of Finance, Department of Budget and Management, and Commission on Audit for the purpose pursuant to Section 45, Chapter 5, Book VI of Executive Order No. 292, series of 1987.

Done in Mandaluyong City, this 28<sup>th</sup> day of August 2003.

  
**PATRICIA A. STO. TOMAS**

Secretary of Labor & Employment and  
Chairman of the Board

  
**ROSALINDA D. BALDOZ**  
Member

  
**ALEXIS P. CRUEL**  
Member

  
**LUZVIMINDA L. ELBINIAS**  
Member

  
**GREGORIO S. OCA**  
Member

  
**VICENTE F. ALDANESE**  
Member