

News Release/Good News Report  
July 15, 2016

## Revised rules on recruitment and placement of land-based OFWs now in effect

The Philippine Overseas Employment Administration is now implementing the revised Rules and Regulations on the Recruitment and Employment of Overseas Land-based Workers.

The new rules was unanimously approved by the POEA Governing Board, chaired by Secretary Rosalinda-Dimapilis Baldoz, with the issuance of POEA Governing Board Resolution No. 7, Series of 2016 on February 26, 2016. It was published on April 13, 2016 and took effect on April 28, 2016.

The 2016 Rules is a product of series and thorough consultations with the recruitment industry associations, non-governmental organizations and private sectors.

Secretary Baldoz initiated the review of the 2002 Rules on March 2007 when she was administrator of the POEA.

The Rules was amended to adapt to the present and changing times and to be in harmony with Republic Act No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995 as amended by Republic Act 10022 on 08 July 2010.

Aside from protection and monitoring the welfare of OFWs, foremost in the objectives of the amended rules is the promotion of transparency in the business of recruitment and placement of our workers.

In adherence to the “hard-to-enter, easy-to-go” policy in the licensing of new recruitment agencies, the required capitalization for a private entity to qualify for a grant of a POEA license was increased. The sole proprietor and partnership shall have a minimum capitalization of Five Million Pesos (PhP5,000,000.00) and a minimum paid up capital of Five Million Pesos (PhP5,000,000.00) in case of a corporation.

In the 2002 Rules, the required minimum capitalization was P2,000,000.00 in case of a single proprietorship or partnership and a minimum paid-up capital of P2,000,000.00.) in case of a corporation. Those with existing licenses shall, within four years from the Rule’s effectivity shall increase their capitalization or paid up capital, as the case may be to P2,000,000.00) at the rate P250,000.00 every year.

It also increased the amount for the escrow bond that would answer for all valid and legal claims arising from contracts of employment and violations for the grant and use of license.

A Quality Management System manual, and Certificate of Compliance (COC) issued by the Department of Labor and Employment are now required in the application for a new license, upgrading of provisional license to a regular license, issuance of branch authority, renewal of license and branch authority, and transfer of office.

The Labor Laws Compliance System was incorporated in order to monitor the adherence of the agency not only with the POEA Rules but also with the general labor standards and occupational safety and health standards.

To make sure that only qualified Filipino workers are sent abroad and for their protection, the recruitment agency was tasked to sign an undertaking that it will select and deploy only medically fit and competent workers as tested by the employers or certified by TESDA or by other competent authority.

It shall also provide orientation to the workers on recruitment procedures, as well as the country profile and the working and living conditions, and other relevant information about the host country and worksite. The recruitment agency was also obliged to adhere to the ethical standards as prescribed in the Code of Conduct for Ethical Recruitment as endorsed by recruitment industry association and the administration.

In addition to officials and employees of DOLE, POEA, OWWA, and DFA, officials and employees of DOJ, DOH, BI, IC, NLRC, TESDA, CFO, NBI, PNP, CAAP were also disqualified to engage in the recruitment and placement Filipino workers.

The amended rules also identified the costs and fees chargeable to the worker, recruitment agency and the principal or employer.

As a general rule, no employer shall directly hire a Filipino worker for overseas employment. However, members of the diplomatic corps; international organizations; heads of state and government officials with the rank of at least deputy minister are exempted from the ban on direct hiring.

In the accreditation of Foreign Placement Agencies hiring domestic workers, there is now a requirement for putting up an escrow account with the initial amount of Ten Thousand United States Dollars (USD10,000.00) and will increase depending on the number of pending cases against the employer. This will also answer for the valid and legal claims of the workers.

Other prohibited acts constituting illegal recruitment provided under RA 10022 are now included in the new rules. It also provided an Anti-Illegal Recruitment Fund that would support victims of illegal recruitment and trafficking in persons.

The new rules incorporated prohibited acts such as foreigners to managing recruitment agency; granting of loan to an OFWs, designation of specific medical clinics and training institutions, any

recruitment activity by a suspended agency, and deduction of insurance fees from the worker's salary.

Reprocessing of documents, a proprietor becoming member of the Board of Travel Agencies, passing of fees to workers, and imposing compulsory and exclusive arrangement are now recruitment violations.

The complaints involving an OFW, licensed recruitment agency or employer shall be subject of mandatory conciliation in order to discuss the possibility of arriving at an amicable settlement.

The classification of offenses and schedule of penalties are rationalized and the imposition of preventive suspension including the grounds and the procedure are clearly identified.

Provisions for the grant of clemency to the OFW and employer are now included. Under the assistance to OFWs, the primary responsibility to repatriate the OFW is imposed on the employer and the agency and the procedures for the issuance of the return ticket and exit visa is also shouldered by latter.

Part of the comprehensive and integrated public education program is the mandatory attendance to the Pre-Employment Orientation Seminar (PEOS) for all applicants.

The Code of Discipline for OFWs is also incorporated under the 2016 Rules. The incentives and awards for the recognition of the agencies and employers are also institutionalized.

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