

GOOD/NEWS RELEASE
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POEA Governing Board extends deadline for recruiters to increase capitalization

The Governing Board of the Philippine Overseas Employment Administration has issued Governing Board Resolution extending the deadline for submission of requirements for the first increase in capitalization or paid-up capital until May 31, 2017.

The Governing Board extended the deadline after the POEA received numerous requests from recruitment industry associations and individual agencies to extend the deadline to comply with the requirement citing the long documentation procedure at the Securities and Exchange Commission (SEC) and the closure of its offices at the PICC during hosting of the ASEAN Summit.

The POEA in a memorandum circular, directed licensed recruitment and manning agencies to comply with the first yearly increase in paid-up capital as mandated by the 2016 POEA Revised Rules and Regulations Governing the Recruitment and Employment of OFWs.

The existing capitalization of some 300 recruitment agencies is below the minimum requirement for the first yearly increase that will likely result to their suspension for failure to comply within the prescribed period. The suspension will likely affect overseas Filipino workers who are already set for deployment.

Section 2 Rule I Part II provides that “. . . those with existing licenses, shall, within four (4) years from effectivity thereof, increase their capitalization or paid up capital, as the case may be, to Five Million Pesos (PhP5,000,000.00) at the rate of Seven Hundred Fifty Thousand Pesos (PhP750,000.00) every year.”

The recruitment and manning agencies were ordered to submit as proof of compliance for the yearly increase of capitalization.

For corporations and partnerships:

1. Treasurer's Affidavit on the additional authorized subscribed and paid-up capital stock requirements/Joint Affidavit of partners on the additional partners' contribution;
2. Bank certification showing an additional deposit of at least PhP750,000.00, with authority to examine the bank account;
3. Amended Articles of Partnership/Incorporation providing for the increase of the authorized/paid-up capital to a minimum of Five Million Pesos (PhP5,000,000.00); and
4. Certification issued by the Securities and Exchange Commission (SEC) on the current paid-up capital of the corporation/partnership showing the increase of at least PhP750,000.00.

For single proprietorship: Bank certificate showing a deposit of at least PhP750,000.00, with authority to examine the bank report.

The POEA has set the deadline for the submission for the yearly increase for land-based agencies on or before April 28, 2017. For the manning agencies, the deadline is on or before September 4, 2017.

Agencies also were directed to subsequently comply with the yearly increase of PhP750,000.00 until the minimum capitalization of PhP5,000,000 is fully completed.

On the other hand, agencies that have fully complied with the required capitalization were directed to submit a certification issued by the Securities and Exchange Commission (SEC) on the present paid-up capital of the corporation or partnership, or the bank certificate, in case of single proprietorship.

Agencies that fail to comply with the requirement shall be meted with suspension of license in accordance with Section 41c/Section 42c, Rule III Part II of both POEA Rules. /END