

NEWS RELEASE  
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## POEA reminds licensed recruiters on compliance with yearly increase in capitalization/paid-up capital

The Philippine Overseas Employment Administration has reminded licensed recruitment and manning agencies on compliance with the yearly increase in paid-up capital as mandated by the 2016 POEA Revised Rules and Regulations Governing the Recruitment and Employment of Filipino Workers/Seafarers.

In an advisory, POEA Administrator Bernard P. Olalia has set the deadline for land-based recruitment agencies to submit proofs of increase in capitalization for the second year on April 30, 2018, and September 4, 2018 for manning agencies.

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 the following documents:

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 paid up capital to a minimum of Three Million Five Hundred Thousand pesos (Php3,500,00.00); 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 PhP3,500,000.00.

For single proprietorship:

1. Audited Financial Statement and ITR for the current year duly received by the Bureau of Internal Revenue (BIR) showing equity of not less than Three Million Five Hundred Thousand pesos (Php3,500,00.00);
2. Bank certificate showing a deposit of at least PhP750,000.00, with authority to examine the bank report.

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 audited financial statement and 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