

# [ PRESIDENTIAL DECREE NO. 570-A, November 01, 1974 ]

## AMENDING CERTAIN SECTIONS OF PRESIDENTIAL DECREE NO. 442 ENTITLED "LABOR CODE OF THE PHILIPPINES."

**WHEREAS**, Presidential Decree No. 442 otherwise known as the Labor Code of the Philippines provided for a transition period of six (6) months between the dates of its promulgation and effectivity;

**WHEREAS**, this transition period has been utilized by the Department of Labor for extensive and intensive study and discussions of the Labor Code with responsible public officials, labor organizations, employers' organizations, civic, professional and technical associations, educational institutions, and other knowledgeable groups representing various sectors of the economy;

**WHEREAS**, as a result of such discussion and consultations and in the light of the experience of the Department of Labor, it has been found necessary to make adjustments in the text of the Labor Code to correct significant flaws or to strengthen basic concepts, and in general, to fully align the Labor Code to its broad objectives consistent with the overriding priority of development;

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

**SECTION 1.** Article 6 of the Labor Code is hereby amended to read as follows:

"Art. 6. *Applicability*.—All rights and benefits granted to workers under this Code shall, except as may otherwise be provided herein, apply alike to all workers, whether agricultural, or non-agricultural."

**SECTION 2.** Article 12 of the same Code is hereby amended to read as follows:

"Art. 12. *Statement of Objectives*.—It is the policy of the State:

- (a) To promote and maintain a state of full employment through improved manpower training, allocation and utilization;
- (b) To protect every citizen desiring to work locally or overseas by securing for him the best possible terms and conditions of employment;
- (c) To facilitate a free choice of available employment by persons seeking work in conformity with the national interest;
- (d) To facilitate and regulate the movement of workers in conformity with the national interest;
- (e) To regulate the employment of aliens, including the establishment of a registration and/or work permit system;
- (f) To strengthen the network of public employment offices and to undertake the phasing out of private fee-charging

employment agencies; and

(g) To insure careful selection of Filipino workers for overseas employment in order to protect the good name of the Philippines abroad. "

**SECTION 3.** Article 15 of the same Code is hereby amended to read as follows:

"Art. 15. *Power to phase out.*—The Department of Labor shall phase out within four (4) years from the effectivity of this Code the operation of all private fee-charging employment agencies, including those engaged in the overseas recruitment and placement of individuals for personal services or for the crew of a vessel.

No new application for license to operate a private fee-charging domestic employment agency shall be entertained upon the effectivity of the Code. All existing licenses issued in favor of private fee-charging domestic employment agencies shall be valid only up to the date of their expiration.

The public employment offices of the Department of Labor shall absorb the functions and activities of private fee-charging domestic employment agencies.

Upon the completion of such phaseout, no person or entity shall directly or indirectly engage, for profit or any pecuniary or material advantage, in any recruitment or placement activity. Non-fee charging employment agencies or placement services undertaken by schools or by civic or charitable organizations or by employers for their own use may continue under such rules and regulations as may be promulgated by the Secretary of Labor."

**SECTION 4.** Article 17 of the same Code is hereby amended to read as follows:

"Art. 17. *Composition of Overseas Employment Board.*—The Board shall be composed of:

The Secretary of Labor as Chairman and a representative each of the Department of Education and Culture, the Department of Foreign Affairs, the Central Bank and the National Manpower and Youth Council, as members.

The Board shall be assisted by a Secretariat headed by an Executive Director. The Executive Director shall be appointed by the President of the Philippines upon recommendation of the Secretary of Labor who shall appoint the members of the Secretariat.

The Executive Director shall be a Filipino citizen with sufficient experience in manpower administration, including overseas employment activities.

The Executive Director shall receive an annual salary of not less than P40,000.

The Auditor General shall appoint his representative to the Board to audit its accounts in accordance with auditing laws and pertinent rules and regulations.

**SECTION 5.** A new article, to be numbered as Article 20 is hereby inserted after Article 19 of the same Code to read as follows:

"Art. 20. *Registration of immigrant workers.*—Any individual desiring to emigrate to any foreign country for the purpose of taking up employment thereat shall, before filing application with the embassy of the country of intended destination, register with the Overseas Employment Development Board. The registration of such immigrant shall include among others, the following information: name, address, civil status, profession, occupation, country of destination. Those who have pending applications at the time of the effectivity of this Code shall likewise register with the Overseas Employment Development Board before they may be issued the corresponding passports."

**SECTION 6.** Article 20 of the same Code is hereby renumbered to read as follows:

"Art. 21. *National Seamen Board, Creation of.*—There is hereby created a body to be known as the National Seamen Board.

It shall:

- (a) establish and maintain a comprehensive seamen training program.
- (b) provide free placement services for seamen.
- (c) obtain the best possible terms and conditions of employment for seamen.
- (d) secure full implementation of the employment contracts of seamen.
- (e) maintain a complete registry of all seamen.
- (f) regulate the activities of agents or representatives of shipping companies in the hiring of seamen for overseas employment."

**SECTION 7.** Article 21 of the same Code is hereby renumbered and amended to read as follows:

"Art. 22. *Composition of National Seamen Board.*—The Board shall be attached to the Department of Labor for policy and program coordination and shall be composed of: the Secretary of Labor as Chairman, the Commandant of the Philippine Coast Guard, and a representative each of the Department of Foreign Affairs, Maritime Industry Authority, Central Bank, a national seafarers organization and a national shipping association, as members.

The Board shall be assisted by a Secretariat headed by an Executive Director. The Executive Director shall be appointed by the President upon

recommendation of the Secretary of Labor who shall appoint the members of the Secretariat.

The Executive Director shall be a Filipino citizen with sufficient experience in manpower administration, including overseas employment activities.

"The Executive Director shall receive an annual salary of not less than P 40,000.

The Auditor General shall appoint his representative to the Board to audit its accounts in accordance with auditing laws and pertinent rules and regulations."

**SECTION 8.** Art. 22 of the same Code is hereby renumbered and amended to read as follows:

"Art. 23. *Boards authorized to collect and utilize fees.*—The Overseas Employment Development Board and the National Seamen Board shall have the power to impose and collect fees from workers and employers concerned or both, which shall be deposited to the respective accounts of said Board and be used by them exclusively to promote their objectives."

**SECTION 9.** Article 23 of the same Code is hereby renumbered, as Article 24.

**SECTION 10.** Article 24 of the same Code is hereby renumbered and amended as follows:

"Art. 25. *Authority or license to recruit.*—No individual or entity may engage in the business of a private fee-charging employment agency without first obtaining a license from the Department of Labor.

No individual or entity may operate a private non-fee charging employment agency without first obtaining an authority from the Department of Labor.

The Secretary of Labor shall issue rules and regulations establishing the requirements and the procedures for the issuance of a license or authority.

Every existing authority or license to hire or recruit workers on the date of effectivity of this Code shall remain valid for the duration indicated therein unless sooner cancelled, revoked, or suspended for cause by the Secretary of Labor. However, said authority or license to hire or recruit may be renewed provided that the holders thereof shall comply with all applicable provisions of this Code and its implementing rules and regulations."

**SECTION 11.** Article 25 of the same Code is hereby renumbered and amended to read as follows:

"Art. 26. *Travel agencies prohibited to recruit.*—Travel agencies and sales agencies of airline companies are prohibited from engaging in the business of recruitment and placement of workers for overseas employment whether for profit or not."

**SECTION 12.** The following Articles of the same Code are hereby renumbered as follows:

"Article 26, as Article 27  
Article 27, as Article 28  
Article 28, as Article 29  
Article 29, as Article 30  
Article 30, as Article 31  
Article 31, as Article 32  
Article 32, as Article 33  
Article 33, as Article 34  
Article 34, as Article 35  
Article 35, as Article 36  
Article 36, as Article 37."

**SECTION 13.** Article 37 of the same Code is hereby renumbered and amended to read as follows:

"Art. 38. *Jurisdiction*.—(a) Any violation of the provisions page eight of this Title or its implementing rules and regulations as promulgated by the Secretary of Labor shall fall within the concurrent jurisdiction of the Military Tribunals and the regular courts. The court that first assumes jurisdiction shall exclude the other.

(b) All matters or questions involving employer-employee relations, including money claims arising from this Title, shall be under the original and exclusive jurisdiction of the National Labor Relations Commission, except cases involving Filipino seamen employed overseas, which shall fall under the exclusive jurisdiction of the National Seamen Board, whose decision shall be final and inappealable. The Board shall promulgate appropriate rules and regulations governing the processing and settlement of such cases."

**SECTION 14.** Article 38 of the same Code is hereby renumbered and amended to read as follows:

"Art. 39. *Penalty*.—Persons who are licensees or holders of authority under the provisions of this Title found violating or causing another to violate any provisions of this Title or of the rules and regulations issued thereunder shall, upon conviction thereof, suffer the penalty of imprisonment of not less than two (2) years nor more than five (5) years or a fine of not less than P2,000.00 nor more than P30,000.00, or both such imprisonment and fine, at the discretion of the court; while persons who are not licensees or holders of authority under this Title shall upon conviction thereof suffer the penalty of imprisonment of not less than four (4) years but not more than p35,000.00, or both such fine and imprisonment, at the discretion of the court; *Provided, however*, that if the offender is a corporation, partnership, association or entity, the penalty shall be imposed upon the guilty officer or officers of the corporation, partnership, association or entity; and if such guilty officer is an alien, in addition to the penalties herein prescribed, he shall be deported without further proceedings.

In every case, conviction shall cause and carry the forfeiture of the bond—cash as well as surety—in favor of the Overseas Employment Development Board or the National Seamen Board, as the case may be,