

**[ POEA, May 31, 1991 ]**

**RULES AND REGULATIONS GOVERNING OVERSEAS EMPLOYMENT**

**BOOK I  
General Policy**

**RULE I  
General Statement of Policy**

It shall be the policy of the Administration to:

- a. Promote and develop overseas employment opportunities in cooperation with relevant government institutions and the private sector;
- b. Establish the environment conducive to the continued operations of legitimate, responsible and professional private agencies;
- c. Afford protection to Filipino workers and their families, promote their interests and safeguard their welfare; and
- d. Develop and implement programs for the effective monitoring of returning contract workers promoting their re-training and re-employment or their smooth re-integration into the mainstream of the national economy.

**RULE II  
Definition of Terms**

For purposes of the Rules, the following terms are defined as follows:

- a. Administration — the Philippine Overseas Employment Administration (POEA).
- b. Administrator — the Administrator of the POEA.
- c. Agency — a private employment or a manning agency as defined herein.
- d. Allottee — any person named or designated by the overseas contract workers as the recipient of his remittance to the Philippines.
- e. Balik-Manggagawa (Vacationing Worker) — a landbased contract worker who is on a vacation or on an emergency leave and who is returning to the same worksite to resume his employment.
- f. Beneficiary — the person/s to whom compensation benefits due under an overseas employment contract are payable by operation of law or those to whom proceeds of a life or accident insurance are likewise payable.

g. Center — the POEA Regional Center in Cebu and such other regional centers as may hereinafter be established.

h. Code — the Labor Code of the Philippines as amended.

i. Collective Bargaining Agreement — the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work and all other terms and conditions of employment in a bargaining unit, including mandatory provisions for grievance and arbitration machineries.

j. Contract Worker — any person working or who has worked overseas under a valid employment contract.

k. Department — the Department of Labor and Employment (DOLE).

l. Directorate — the executive body of the Administration composed of its Administrator, Deputy Administrators and Directors as defined herein.

m. Director-LRO — the Director of the Licensing and Regulation Office.

n. Director-PSO — The Director of the Pre-Employment Services Office.

o. Director-AO — the Director of the Adjudication Office.

p. Director-WEO — the Director of the Welfare and Employment Office.

q. Employer — any person, partnership or corporation, whether local or foreign, directly engaging the services of Filipino workers overseas.

r. Foreign Exchange (Forex) Earnings — the earnings in terms of US dollars (US\$) or any other acceptable foreign currency of overseas workers and agencies.

s. Governing Board — the policy-making body of the Administration.

t. Government-to-Government Hiring — recruitment and placement of Filipino workers by foreign government ministries or instrumentalities through the Administration.

u. Job Fair — an activity conducted outside of an agency's authorized business address whereby applicants are oriented on employment opportunities and benefits provided by foreign principals and employers.

v. License — a document issued by the Secretary authorizing a persons, partnership or corporation to operate a private employment agency or a manning agency.

w. Manning Agency — any person, partnership or corporation duly licensed by the Secretary to recruit seafarers for vessel plying international waters and for related maritime activities.

x. Manning Agreement — an agreement entered into by and between the principal and the licensed manning agency defining the responsibilities of both parties with

respect to the employment of ship personnel for their enrolled vessels.

y. Commission — the National Labor Relations Commission.

z. Name Hire — a worker who is able to secure employment overseas on his own without the assistance or participation of any agency.

aa. Non-Licensee — any person, partnership or corporation who has not been issued a valid license to engage in recruitment and placement, or whose license has been suspended, revoked or canceled.

bb. One-stop Processing Center — an inter-agency servicing body designed to facilitate the documentation of contract workers.

cc. Overseas Employment — employment of a worker outside the Philippines including employment on board vessels plying international waters, covered by a valid employment contract.

dd. Philippine Shipping Company — any person, partnership or corporation registered under the laws of the Philippines and duly accredited to engage in overseas shipping activities by the Maritime Industry Authority (MARINA).

ee. Philippine Registered Vessel — vessels duly registered in the Philippines.

ff. Placement Fee — the amount charged by a private employment agency from a worker for its services in securing employment.

gg. Principal — any foreign person, partnership or corporation hiring Filipino workers through an agency.

hh. Private Employment Agency — any person, partnership or corporation engaged in the recruitment and placement of workers for a fee which is charged, directly or indirectly, from the workers or employers or both.

ii. Recruitment Agreement — the agreement entered into by and between the foreign principal and the licensed private employment agency defining the responsibilities of both parties with respect to the employment of workers for their overseas projects.

jj. Recruitment and Placement — any act of canvassing, enlisting, contracting, transporting, utilizing, hiring or procuring workers and includes referrals, contract services, promising or advertising for employment, locally or abroad, whether for profit or not; provided, that any person or entity which, in any manner, offers or promises for a fee employment to two or more persons shall be deemed engaged in recruitment and placement.

kk. Regional Director — the head of the Regional Offices of the Department.

ll. Regional Extension Unit — the field offices of the Administration in designated regions in the Philippines.

mm. Regional Labor Center (RLC) — the regional field office of the Administration.

nn. Regional Office — the regional office of the Department of Labor and Employment.

oo. Remittance — the amount or portion of the foreign exchange earnings sent by the worker to the Philippines.

pp. Secretary — the Secretary of Labor and Employment.

qq. Service Fee — the amount charged by a licensee from its foreign employer-principal as payment for actual services rendered in relation to the recruitment and employment of workers for said principal.

rr. Valid Employment Contract — a written agreement entered into by and between the employer and/or the local agency and the overseas contract worker containing the terms and conditions of employment that are in consonance with the master employment contract as approved by the Administration.

ss. Verification — the action of labor attaché or any other officer designated by the Secretary of Labor and Employment in the Philippine Embassy or Consulate, in reviewing employment documents of Filipino nationals with the view to establish the existence of the employing company, its ability to hire workers at the prescribed rates, at desirable working conditions consistent with the standards prescribed by the Administration and the terms and conditions prevailing in the country of employment.

## **BOOK II**

### **Licensing and Regulation**

#### **RULE I**

#### **Participation of the Private Sector in the Overseas Employment Program**

*SECTION 1. Qualifications for Participation in the Overseas Employment Program.* — Only applicants who possess the following qualifications may be permitted to participate in the overseas employment program:

- a. Filipino citizens, partnerships or corporations at least seventy five percent (75%) of the authorized and voting capital stock of which is owned and controlled by Filipino citizens;
- b. A minimum capitalization of One Million Pesos (P1,000,000.00) in case of a single proprietorship or partnership and a minimum paid-up capital of One Million Pesos (P1,000,000.00) in case of a corporation; and
- c. Those not otherwise disqualified by law or these guidelines to engage in the recruitment and placement of workers for overseas employment.

*SECTION 2. Disqualifications.* — The following are not qualified to participate in the recruitment and placement of Filipino workers overseas:

- a. Travel agencies and sales agencies of airline companies;

- b. Officers or members of the Board of any corporation or members in a partnership engaged in the business of a travel agency;
- c. Corporations and partnerships, when any of its officers, members of the board or partners, is also an officer, member of the board or partner of a corporation or partnership engaged in the business of a travel agency;
- d. Persons, partnerships or corporations which have derogatory records such as, but not limited to overcharging of placement or documentation fees, false documentation, illegal recruitment and swindling or estafa, or those convicted of crimes involving moral turpitude;
- e. Persons employed in the Department or in other government offices directly involved in the overseas employment program, and their relatives within the fourth degree of consanguinity or affinity; and
- f. Persons, partners, officers and Directors of corporations whose license has been previously canceled or revoked for violation of the Labor Code, or its implementing rules, or other relevant laws, decrees, rules and regulations, and issuances.

## **RULE II**

### **Issuance of License**

*SECTION 1. Requirements for Issuance of License.* — Every applicant for license to operate a private employment agency or manning agency shall submit a written application together with the following requirements:

- a. A certified copy of the Articles of Incorporation or of Partnership duly registered with the Securities and Exchange Commission (SEC), in the case of corporation or partnership or Certificate of Registration of firm or business name with the Bureau of Domestic Trade (BDT) in the case of a single proprietorship;
- b. Proof of financial capacity: In the case of a single proprietorship or partnership, verified income tax returns for the past two (2) years and a bank certificate deposit of a cash deposit of P250,000.00, provided that the applicant should submit an authority to examine such bank deposit.

In the case of a newly organized corporation, submission of a bank certificate of a cash deposit of at least P250,000.00 with authority to examine the same. For an existing corporation, submission of a verified financial statement, corporate tax returns for the past two (2) years and bank certification of cash deposit of at least P250,000.00 with the corresponding authority to examine such deposit.

- c. Escrow agreement in the amount of P200,000.00 with an accredited reputable banking corporation to primarily answer for valid and legal claims of recruited workers as a result of recruitment violations or money claims;
- d. Clearance of all members of the Board of Directors, partner, or proprietor of the applicant agency from the National Bureau of Investigation (NBI) and other government agencies as the need may require, Fiscal's clearance in case of persons with criminal cases; provided that where the member or partner concerned is a