

**[ NCMB RESOLUTION NO. 1, S. 1999, November 15, 1999 ]**

**AMENDING AND CONSOLIDATING THE GUIDELINES ON THE FEES AND IN THE PROCESSING AND PAYMENT OF SUBSIDY ENTITLEMENT FOR VOLUNTARY ARBITRATION CASES**

**WHEREAS** , Resolutions No. 1, 2 and 3, series of 1997, all of which were passed by the Tripartite Voluntary Arbitration Advisory Council and approved by the Secretary of Labor and Employment on January 6, 1997, established the Guidelines on Expedited Voluntary Arbitration Procedure, revised the Guidelines on the Processing and Payment of Subsidy Entitlement and the Guidelines for Subsidy Under the Free Legal Aid and Voluntary Arbitration Services (FLAVAS) program, respectively;

**WHEREAS** , these guidelines need to be reviewed periodically particularly in view of the changing times and increasing costs of professional service and other expenses incidental to arbitration of labor disputes;

**WHEREAS** , to promote acceptance of voluntary arbitration, there is a need to remove the burden of cost from the parties;

**WHEREAS** , the Council, during its 39th Special Meeting held on 23 April 1999, resolved to revise the Guidelines on Expedited Voluntary Arbitration Procedure and consolidate under one general guidelines, subject to appropriate distinctions as herein provided, all guidelines on subsidies for cases falling under regular and expedited voluntary arbitration procedures as well as cases falling under the FLAVAS program;

**WHEREAS** , the Council likewise resolved that the subsidy should be provided only to parties who have no capacity to pay the arbitrator's fees;

**WHEREFORE** , pursuant to the provisions of Republic Act. No. 6715 authorizing the Council to recommend appropriate guidelines on the use of the Special Voluntary Arbitration Fund particularly on subsidy, Resolution No. 3, Series of 1997 is hereby incorporated and Resolution No. 2, Series of 1997 is hereby amended to read as follows:

**I. COVERAGE**

The subsidy shall cover all arbitration cases whether involving unionized or non-unionized establishments, upon proof by either or both parties of lack of capacity to pay the cost of arbitration in accordance with No. II herein and subject to the following conditions:

A. UNDER REGULAR AND EXPEDITED VOLUNTARY ARBITRATION CASES — The subsidy shall be provided to all arbitration cases involving unionized establishments.

B. UNDER THE FREE LEGAL AID AND VOLUNTARY ARBITRATION SERVICES (FLAVAS) PROGRAM, the subsidy shall be available to the following:

1. Individual workers in establishments with no unions or with no collective bargaining agreements (CBAs);
2. Unions which are still in the organizational stage; and
3. Management of distressed companies and small and medium enterprises (SMEs)

## **II. PROCEDURES AND REQUIREMENTS**

The subsidy is payable to the voluntary arbitrator or to the Chairman and its members in case of panel of voluntary arbitrators except in cases of reimbursement for amounts paid to the arbitrator or panel of arbitrators-by either party, in which case it shall be paid to the union or the company, as the case may be.

The request for subsidy shall be supported by the following:

- A. Duly-accomplished request for Subsidy Entitlement Form;
- B. Copy of Decision or Award;
- C. For establishments with CBAs, copy of CBA or Certificate of CBA REGISTRATION;
- D. Copy of Submission Agreement;
- E. In cases of reimbursement, proof of partial/full payment to the voluntary arbitrator;
- F. Waiver from the other party not availing of the subsidy, where appropriate.

All requests, accompanied by the aforementioned documents shall be filed with the appropriate Regional Branch.

## **III. AMOUNT OF SUBSIDY**

A. As a rule, the amount of subsidy shall be Ten Thousand Pesos (P10,000.00) for all types of voluntary arbitration cases, except as specified hereunder:

**1) Fifteen thousand pesos** (P15,000.00) shall be provided if:

- a) The case is submitted under the Expedited Voluntary Arbitration Procedure as laid down in TVAAC Resolution No. 2, series of 1999.
- b) The case is a rights dispute involving two or more issues.
- c) The case involves bargaining deadlock regardless of the number of issues.

**2) Five thousand pesos** (P5,000.00) shall be provided if the case is submitted under the FLAVAS program.

The amount shall be disposed of as follows:

- a) P1,000 shall be paid to the office of the legal aid;
- b) P500 shall be remitted to the PAVA regional chapter;
- c) P3,500 shall be paid to the voluntary arbitrator

B. In instances where the case is settled through a compromise agreement entered into by the parties with the assistance of the Voluntary Arbitrator, full