

[POEA MEMORANDUM CIRCULAR NO. 81, October 23, 1992]

SUBMISSION AND ADOPTION OF ESCROW AGREEMENT

Pursuant to Governing Board Resolution No. 2, series of 1992, the submission of the escrow agreement as a requirement for the evaluation of the application for issuance or renewal of license, may now be undertaken upon approval of the license and as a pre-condition for the release of the license certificate.

Further, the standard escrow agreement provided for under Memorandum Circular No. 36, series of 1991, has been amended to include provisions beneficial to all parties concerned. This amended escrow agreement has been approved and adopted after a series of consultations and dialogues with the banking sector.

Below is a copy of the amended escrow agreement for the adoption of all concerned.

This circular takes effect immediately.

Adopted: 23 Oct. 1992

(SGD.) FELICISIMO O. JOSON
Administrator

ESCROW AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This escrow agreement, made and entered into in _____, Philippines, by and among: _____, a company duly organized and existing under and by virtue of the laws of the Philippines and is an applicant for issuance/renewal of a license to engage in the recruitment and placement of overseas contract workers, with the registered principal office at _____ represented by _____ hereinafter referred to as the **FIRST PARTY**; _____, a banking corporation duly organized and existing under the laws of the Philippines *and licensed to do trust business*, with principal office at _____ represented by _____ hereinafter referred to as the **SECOND PARTY**;

Philippine Overseas Employment Administration (POEA), an attached agency of the Department of Labor and Employment (DOLE), with principal office at POEA Bldg., EDSA corner Ortigas, Mandaluyong, Metro Manila, represented by _____ hereinafter referred to as the **THIRD PARTY**:

WITNESSETH THAT

WHEREAS, the **FIRST PARTY** has applied for issuance/renewal of a license with the **THIRD PARTY** to engage in the recruitment and placement of overseas contract workers;

WHEREAS, Section 1-C and 17 C, Rule II, Book II of the POEA Rules and Regulations Governing Overseas Employment, as amended requires the deposit in escrow in the amount of Two Hundred Thousand Pesos (P200,000.00) to answer for whatever legal and valid claims an overseas contract worker (OCW) may lodge against the **FIRST PARTY**.

WHEREAS, on _____ 19 _____, in compliance with the aforesaid licensing requirement, the **FIRST PARTY** has deposited in escrow with the **ESCROW AGENT/SECOND PARTY**, the sum of Two Hundred Thousand Pesos (P200,000.00), Philippine Currency, the receipt of which is likewise acknowledged by the latter; and

WHEREAS, for the final consummation of the above transaction, the parties hereto have obligated themselves individually to comply with certain conditions more particularly stipulated hereunder;

NOW THEREFORE, for and in consideration of the premises, and more specifically the mutual commitments herein set forth, the parties hereto have voluntarily agreed and covenanted as follows:

1. This Account shall, for all legal purposes, be designated as **ESCROW ACCOUNT NO.** _____ and under this designation, the **SECOND PARTY** shall conduct its affairs, hold and administer the deposit in escrow as provided herein;

2. That the deposit in the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00) shall remain intact during the validity of the license for a period of two (2) years and an additional four (4) years if not renewed upon its expiration, or should the license be revoked or otherwise cancelled for whatever legal grounds; provided that in case of voluntary surrender or expiration of license, the release of the escrow deposit shall be allowed after posting of a surety bond of similar amount from an acceptable bonding company valid for four (4) years from expiration of license; and provided further that said escrow deposit may be subject to spot verification by duly authorized representatives of the **THIRD PARTY**;

3. That the deposit in escrow shall not be withdrawn or released except upon proper authorization/clearance by the **THIRD PARTY** and shall answer for all valid and legal claims of an overseas contract worker arising from recruitment violation or breach of the employment contract by the **FIRST PARTY**; In this connection, a written instruction to disburse issued by the **THIRD PARTY** with a copy of the final order/resolution upholding the claim of an overseas contract worker shall serve as the authority of the **SECOND PARTY** to disburse from the deposit in escrow to the worker identified therein the amount indicated; provided that the **SECOND PARTY** shall pay the claims on a "first come-first served" basis and the Order of Garnishment that is first served upon the bank shall be satisfied, irrespective of the date of the issuance of the writ of execution; provided further that where several