

[DOLE RULES AND REGULATIONS GOVERNING PRIVATE RECRUITMENT AND PLACEMENT AGENCY FOR LOCAL EMPLOYMENT, June 05, 1997]

By virtue of the authority vested in the Secretary of Labor and Employment under Article 25 of the Labor Code of the Philippines, as amended, the following revised rules and regulations are hereby promulgated to govern and regulate the activities of all individuals and entities engaged in the recruitment and placement of persons for local employment.

RULE I

DEFINITION OF TERMS

SECTION 1. Definition of Terms.

- a. Department — refers to the Department of Labor and Employment.
- b. Secretary — refers to the Secretary of Labor and Employment.
- c. Bureau — refers to the Bureau of Local Employment.
- d. Regional Office — refers to the Regional Offices of the Department.
- e. District/Provincial Office — refers to the extension offices of the Department.
- f. Regional Director — refers to the Director of the Regional Office.
- g. Private Recruitment and Placement Agency (PRPA) or Agency — refers to any individual, partnership, corporation or entity engaged in the recruitment and placement of persons for local employment.
- h. PRPA Branch — refers to any extension office of a licensed PRPA.
- i. Representative — refers to a person acting as an agent of a licensed PRPA registered with the Regional Office and granted Authority in the recruitment of persons for local employment.
- j. Recruitment and Placement — refers to any act of canvassing, enlisting, contracting, transporting, utilizing, hiring or procuring workers, and includes referrals, contract services, promising or advertising for local employment, whether for profit or not; provided, that any person or entity which in any manner, offers or promises employment for a fee, to two or more persons shall be deemed engaged in recruitment and placement.
- k. Recruit — refers to any individual promised, contracted, or enlisted for employment for a fee.
- l. License — refers to the certificate issued by the Department authorizing an individual, partnership, corporation, or entity to operate private recruitment and placement agency.
- m. Authority to Operate Branch Office — refers to the document granted by the Department authorizing the licensed PRPA to establish and operate a branch office.
- n. Authority to Recruit — refers to the document granted by the Regional Office authorizing a person to conduct recruitment in the region.
- o. Licensee — refers to any person or entity duly licensed and authorized by

the Department to operate a private recruitment and placement agency.

p. Recruitment Contract — refers to the agreement entered into between a licensed PRPA of its authorized representative and a recruit stating clearly the terms and conditions of the recruitment in a language known and understood by the recruit.

q. Employment Contract — refers to the agreement entered into between the employer and a recruit stating clearly the terms and conditions of the employment in a language known and understood by the recruit.

r. Placement Fee — refers to the amount charged by a PRPA from a recruit as payment for placement services.

s. Service Fee — refers to the amount charged by a PRPA from an employer as payment for employment services.

RULE II

APPLICATION/RENEWAL OF LICENSE OF PRIVATE RECRUITMENT AND PLACEMENT AGENCY

SECTION 2. Qualifications.

An applicant for a license to operate a private recruitment and placement agency must possess the following:

a. Must be a Filipino citizen, if single proprietorship. In case of a partnership or a corporation, at least seventy-five percent (75%) of the authorized capital stock must be owned and controlled by Filipino citizens;

b. Must have a minimum networth of P200,000.00 in the case of single proprietorship and partnership or a minimum paid-up capital of P500,000.00 in the case of a corporation;

c. The owner, partners or the officers of the corporation must be of good moral character and not otherwise disqualified by law;

d. Must have an office space with a minimum floor area of fifty (50) square meters.

SECTION 3. Place to File Application. Application for license shall be filed with the Regional Office having jurisdiction over the place where the applicant wishes to establish its main office.

SECTION 4. Recruitment for Application. The applicant for a license shall submit a duly accomplished application form, and in support thereof, the following requirements:

a. A filing fee of Five Hundred Pesos (P500.00); if single proprietor; and P2,000.00 if corporation or partnership;

b. Certified copy of the Certificate of Registration of firm or business name from the Department of Trade and Industry (DTI), in the case of a single proprietorship or a certified copy of the Articles of Partnership or Incorporation duly registered with the Securities and Exchange Commission (SEC), in the case of

partnership or corporation;

c. A sworn statement of assets and liabilities and/or duly audited financial statement, as the case may be;

d. Owner's certificate/title of office location or contract of lease of office space for at least two (2) years

e. NBI clearance of the applicant, or the partners in the case of partnership or all the officers and members of the Board of Directors, in the case of corporation;

f. Income Tax Returns for the last two (2) years;

g. A verified undertaking that the applicant shall:

(1) not engage in the recruitment of children below 15 years of age or place children below 18 years old in hazardous occupation in accordance with Republic Act No. 7610 as amended by Republic Act 7658 and other related laws; and

(2) assume full responsibility for all claims and liabilities which may arise in connection with the use of license;

h. Organizational structure and list of all officers and personnel with their respective bio-data, two (2) passport-size ID pictures and a detailed description of their duties and responsibilities; and

i. Specific address and location map of the Office/proposed office

j. List of all authorized representatives, if any, who must be at least high school graduate, with their corresponding bio-data, two (2) passport-size ID pictures, high school diploma or other proof of educational attainment duly authenticated, NBI clearance and Special Power of Attorney (SPA).

No application shall be accepted, unless all the requirements have been complied with.

SECTION 5. Action of the Application.

a. Upon receipt of the application, the Regional Director or his duly authorized representative shall evaluate the documents submitted and conduct an ocular inspection of the applicant's office;

b. Within fifteen (15) working days after the ocular inspection, the Regional Director shall act on the application, and immediately notify the applicant of the action taken; and

c. Application which do not meet the requirements set forth in these rules shall be denied.

SECTION 6. Posting of Cash and Surety Bonds and Payment of License Fee. Prior to the approval of the license, the applicant shall post cash surety bonds of Twenty-Five Thousand Pesos (P25,000.00) and One Hundred Thousand Pesos

(P100,000.00) respectively, valid for two (2) years and then pay a license fee of Five Thousand Pesos (P5,000.00). The bond shall answer for all valid and legal claims arising from the illegal use of the license and shall likewise guarantee compliance with the provisions of the Labor Code and its Implementing Rules.

In case of loss of license, the licensee shall pay Five Hundred Pesos (P500.00) as payment for the issuance of a certified copy of the license upon presentation of proof of loss.

SECTION 7. Publication. The Agency shall publish once in a newspaper of general circulation the license number of the agency, names and pictures of authorized representatives within fifteen (15) days from the issuance of the license and shall submit a copy of said publication to the Department.

SECTION 8. Validity of the License. The license shall be valid all over the Philippines for two (2) years from the date of issuance, upon submission of proof of publication unless sooner suspended, cancelled or revoked by the Regional Director.

SECTION 9. Non-transferability. No license shall be transferred, conveyed or assigned to any other person or entity.

SECTION 10. Display of License. The original license or a copy shall be displayed conspicuously at all times in the office premises of the PRPA.

SECTION 11. Renewal of License. An application for renewal of license shall be filed not later than thirty (30) days before expiration of the same. No agency shall be allowed to renew its license if it has been convicted by the regular courts for violation of the Labor Code, as amended, and its implementing Rules, or if its license has been previously revoked.

SECTION 12. Requirements for Renewal. The Agency shall submit its existing license together with the requirements specified in Section 4 of these Rules.

SECTION 13. Change of Ownership. Any Agency which desires to transfer ownership shall surrender its license to the issuing Regional Office.

SECTION 14. Change of Business Address. An Agency which desires to transfer to a new business address shall notify the Regional Office which issued the license at least thirty (30) working days prior to the intended date of transfer. It shall likewise notify the Regional Office which has jurisdiction over the new business address and submit a sketch of the new office and a copy of the contract of lease, if any.

RULE III

GRANTING/RENEWAL OF AUTHORITY TO RECRUIT, RECRUITMENT PROCEDURE, PLACEMENT AND OTHER RELATED ACTIVITIES

SECTION 15. Authority to Recruit. A licensed Agency or its authorized representative shall secure an authority to recruit from the Regional Office having jurisdiction over the place where recruitment activities will be undertaken. Such authority shall be co-terminus with the license unless sooner revoked/cancelled by the issuing Regional Office or terminated by the Agency.

SECTION 16. Documents Required. The following documents shall be submitted by the applicant/agency for the issuance/renewal of an Authority to Recruit:

- a. Letter request by the agency;
- b. Copy of current license;
- c. Certification under oath of licensee of the proposed recruitment activities of the representative;
- d. NBI clearance and bio-data of the representative with two (2) ID Pictures;
- e. Clearance from previous agency, if applicable; and
- f. Previous authority to Recruit, in case of renewal.

No application shall be accepted unless all the requirements have been complied with.

SECTION 17. Action on the Application for the Issuance/Renewal of an Authority to Recruit.

- a. Within ten (10) working days from receipt of complete documents, the Regional Director shall act on the application;
- b. In case of denial, the Regional Director shall state the reasons for denial;

A new application/renewal may be denied on any of the following grounds:

- non compliance with the requirements;
 - applicants' record of unresolved illegal recruitment case; or
 - presence of any pending case against the applicant and/or the agency
- c. Upon approval of application/renewal, the applicant shall pay a fee of P1,000.00 to the Regional Office concerned.

SECTION 18. Recruitment by Representative. Only representatives duly authorized to recruit and whose names are registered with the Regional Office can engage in recruitment activities.

SECTION 19. Termination of Authority of Representatives. The authority of representatives may be revoked or terminated by the Agency or cancelled by the issuing Regional Office.

The Agency shall publish in a newspaper of general circulation the names and pictures of representatives whose authority has been revoked or terminated and the Regional Office shall be furnished a copy of said publication.

The Regional Office shall keep a record of the authorities issued, revoked or