

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session



Senate
Office of the Secretary

22 JUL 14 AIO :20

SENATE

RECEIVED BY: _____

S. B. NO. 560

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT FURTHER STRENGTHENING WORKERS' RIGHT TO
SELF-ORGANIZATION, AMENDING FOR THE PURPOSE
ARTICLES 240[234](c), 242[235], 243[236], 244[237] AND 285
[270] OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

This bill gives life to the long overdue commitment of the Philippine Government to bring national legislation in conformity with Articles 2, 3 and 5 of International Labor Organization (ILO) Convention No. 87 (Freedom of Association and Protection of the Right to Organize, ratified by the Philippines on December 29, 1953). It seeks to ensure that there is "no prior restraint or authorization" in the exercise of workers right to self-organization, and thus, proposes to:

- (1) Ease the minimum membership requirements for registration of independent unions under Article 240[234](c), from 20% to 5%, and for federations under Article 244[237], from 10 to 5 duly recognized bargaining agent-local chapters;
- (2) Institutionalize online registration, decentralization of registration process to Department of Labor and Employment (DOLE) Provincial or Field Offices, and ensure one-day process cycle time by amending Articles 242[235] and 243[236]; and
- (3) Remove the "prior authority" requirement on foreign assistance to local trade union activities under Article 285[270].

The need to align the said provisions of the Labor Code of the Philippines emanated from the observations of the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) that the existing 20% membership requirement for registration of an independent union and the 10 local chapters requirement for registration of federations or national unions are excessively high, effectively constituting prior restraint. The Committee of Experts also noted that the requirement of prior authorization from the Secretary of Labor and Employment on foreign assistance, donations, cash or other forms to trade unions or employers' organization under Article 285[270] of the Labor Code imposes a restraint on trade union and employees' organization's legitimate activities.

The lowering of the minimum requirements for registration of independent unions and federations will strengthen workers' right to self-organization and would allow workers, through their union representatives, the opportunity to participate in policy and decision-making processes, which, in turn, would translate to better protection of their rights and benefits including from exploitative work arrangements such as "Endo." With respect to the removal of prior authorization on foreign assistance or donations, the repeal of Article 285[270], which is a dead provision, would help strengthen the capacities of both trade unions and employers' organizations.

The immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "Joel Villanueva", with a circular mark to the right of the name.

SENATOR JOEL VILLANUEVA

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AN ACT FURTHER STRENGTHENING WORKERS' RIGHT TO SELF-ORGANIZATION, AMENDING FOR THE PURPOSE ARTICLES 240[234](c), 242[235], 243[236], 244[237] AND 285 [270] OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1.** Article 240 [234] (c) of the Labor Code, as amended, is hereby
2 amended to read as follows:

3
4 " (c) In case the applicant is an independent union, the
5 names of all its members comprising at least FIVE
6 PERCENT (5%) of all the employees in the bargaining
7 unit where it seeks to operate;"

8
9 **SEC. 2.** Article 242 [235] of the Labor Code, as amended, is hereby amended
10 to read as follows:

11
12 "ARTICLE 242 [235]. SUBMISSION AND Action on
13 Application. – APPLICATIONS FOR REGISTRATION
14 MAY BE SUBMITTED IN PERSON OR ONLINE TO THE
15 APPROPRIATE DOLE REGIONAL OFFICE OR FIELD
16 OFFICE OR THE BUREAU OF LABOR RELATIONS
17 SUBJECT TO VERIFICATION BY THE APPROPRIATE
18 OFFICE. THE BUREAU SHALL PRESCRIBE SUCH
19 FORMS AS MAY BE NECESSARY FOR THIS
20 PURPOSE."

1 The Bureau OR THE APPROPRIATE DOLE REGIONAL
2 OFFICE OR FIELD OFFICE shall act on all applications
3 for registrations within [30 days from filing] ONE (1)
4 CALENDAR DAY FROM RECEIPT THEREOF.”

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6 **SEC. 3.** Article 243[236] of the Labor Code, as amended, is hereby amended
7 to read as follows:

8
9 “ARTICLE 243 [236]. Denial of Registration; Appeal. –
10 The decision of the [Labor Relations Division in the
11 regional office] DOLE REGIONAL OFFICE OR
12 APPROPRIATE FIELD OFFICE denying registration may
13 be appealed by the applicant union to the Bureau within
14 ten (10) days from receipt of notice hereof.”

15
16 **SEC. 4.** Article 244 [237] of the Labor Code, as amended, is hereby amended
17 to read as follows:

18
19 “ARTICLE 244 [237]. [Additional] Requirements for
20 Federations or National Unions. – [Subject to Article 238,]
21 If the applicant for registration is a federation or a national
22 union, it shall, in addition to the requirements of the
23 preceding Articles, submit the following:

24
25 (a) Proof of affiliation of at least FIVE (5) LOCAL
26 CHAPTERS, each of which must be duly
27 recognized collective bargaining agent in the
28 establishment or industry in which it operates;
29 [supporting the registration of such applicant
30 federation or national union] and

31
32 (b) The names and the addresses of the companies
33 where the LOCAL CHAPTERS operate and the list
34 of all the members in each company involved.”

35
36 **SEC. 5.** Article 285 [270], “Regulation of Foreign Assistance” of the Labor Code
37 is hereby REPEALED.

38
39 **SEC. 6. Implementing Rules and Regulations.** – Within sixty (60) days from
40 the effectivity of this Act, the Secretary of Labor and Employment, in
41 consultation with relevant stakeholders, shall promulgate the necessary rules
42 and regulations to implement the provisions of this Act.

43
44 **SEC. 7. Separability Clause.** – If any part, section or provision of this Act shall
45 be held invalid or unconstitutional, the other provisions not affected by such
46 declaration shall remain in full force and effect.

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48 **SEC. 8. Repealing Clause.** – All laws, acts, decrees, executive orders, rules
49 and regulations or other issuances or parts thereof, which are consistent with
50 this Act, are hereby modified and repealed.

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SEC. 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of national circulation.

Approved,