

MALACAÑANG  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

**PRESIDENTIAL DECREE No. 1412**

**FURTHER AMENDING CERTAIN PROVISIONS OF BOOK I, PRESIDENTIAL  
DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE  
PHILIPPINES**

**WHEREAS**, the employment promotion system must respond positively to the changing political and economic realities and benefit from the relevant experience of the last five years;

**WHEREAS**, recent changes have rendered the present system increasingly limited to pursue the mandate to promote full employment in an organized and systematic manner;

**WHEREAS**, government policy mandates the full encouragement and participation of the private sector in national development activities and in the employment promotion effort;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the power vested in me by the Constitution, do hereby order and decree:

**Section 1.** Articles 12 (f), 13, 15, 16, 17, 18, 19(a), 23, 25, 27, 28, 30, 31, 32 and 38 of Book 1, of the Labor Code are hereby amended to read as follows:

"Article 12. Declaration of Policy

(f) It is the policy of the State: To strengthen the network of public employment offices and rationalize the participation of the private sector in the recruitment and placement of workers, locally and overseas, to serve national development objectives."

"Article 13. Definitions

(c) "Private employment agency" means any person or entity engaged in the recruitment and placement of workers for a fee which is charged directly or indirectly, from the workers or employers or both.

(d) "License" means a document issued by the Department of Labor authorizing a person or entity to operate a private employment agency.

(e) "Private recruitment entity" means any person or association engaged in the recruitment and placement of workers, locally or overseas, without charging, directly or indirectly, any fee from the workers or employers.

(f) "Authority" means a document issued by the Department of Labor authorizing a person or association to engage in recruitment and placement activities as a private recruitment entity.

"Article 15. Bureau of Employment Services.

(a) The Bureau of Employment Services shall develop and implement a comprehensive employment program. It shall have the power and duty:

1. To implement the employment promotion objectives of this Title.
2. To establish and operate public employment offices and provide for free placement services to workers.
3. To regulate and supervise private sector participation in the recruitment and placement of workers, locally and overseas, under such rules and regulations as may be issued by the Secretary of Labor.
4. To initiate employment programs designed to benefit disadvantaged groups and communities.
5. To establish and maintain a registration and/or work permit system to regulate the employment of aliens;
6. To develop and maintain a labor market information system in aid of proper manpower and development planning;
7. To develop and maintain a responsive vocational guidance and testing system in aid of proper human resources allocation; and
8. To maintain a registry of skills, except seaman.

(b) The Bureau shall have the original and exclusive jurisdiction over all matters or cases involving employer-employee relations including money claims, arising out of or by virtue of any law or contracts involving Filipino workers for overseas employment, except seamen. The decisions of the Bureau shall be final and executory subject to appeal to the Secretary of Labor whose decision shall be final and inappealable.

(c) The Bureau shall, subject to the approval of the Secretary of Labor, have the power to impose and collect fees which shall be deposited to its own account and be used by it to promote its objectives.

Article 16. Private Recruitment. Except as provided in Chapter II of this Title, no person or entity, other than the public employment offices and the OEDB for overseas employment, shall engage in the recruitment and placement of workers.

Article 17. Overseas Employment Development Board

(a) An Overseas Employment Development Board is hereby created to undertake a systematic program for overseas employment of Filipino workers, other than seamen, in excess of domestic needs, to protect their rights to fair and equitable employment practices, and to promote the welfare of Filipino emigrants. It shall have the power and duty;

1. To recruit and place workers to service the requirements of overseas employers for trained and competent Filipino workers;
2. To promote the development of skills and the careful selection of Filipino workers for overseas employment;
3. To promote the overseas employment of Filipino workers.
4. To secure the best possible terms and conditions of employment of Filipino contract workers and to ensure compliance therewith.
5. To generate foreign exchange from the earnings of Filipinos engaged under its program and
6. To promote the well-being of Filipino workers overseas for which it may establish services and activities.

(b) The Board is authorized to establish offices abroad to attain the above objectives.

Article 18. Ban on Direct Hiring. No employer may hire a Filipino worker for overseas employment except through the Boards and entities authorized by the Secretary of Labor. Direct hiring by members of the diplomatic service, officials and employees of international organizations and such other employers as may be allowed by the Secretary of Labor is exempted from this provision.

#### Article 19. Office of Emigrant Affairs

(a) Pursuant to the National Policy to maintain close ties with Filipino migrant communities and promote their welfare as well as establish a data bank in aid of national manpower policy formulation, an Office of Emigrant Affairs is hereby created in the Department of Labor. The Office shall be a unit at the Office of Secretary and shall initially be manned and operated by such personnel and through such funding as are available within the Department and its attached agencies. Thereafter, its appropriation shall be made part of the regular General Appropriations Decree.

(b) The office shall, among others, promote the well being of emigrants and maintain their close-link to the homeland by:

1. serving as a liaison with migrant communities
2. provision of welfare and cultural services;
3. promote and facilitate re-integration of migrants into the national mainstream;
4. promote economic, political and cultural ties with the communities and;
5. generally to undertake such activities as may be appropriate to enhance such cooperative links.

## Article 23. Composition of the Boards

(a) The OEDB shall be composed of the Secretary of Labor as Chairman, the Undersecretary of Labor as Vice-Chairman, and a representative each of the Department of Foreign Affairs, the Department of National Defense, the Central Bank, the Department of Education and Culture, the National Manpower and Youth Council, the Bureau of Employment Services, a worker's organization and an employer's organization and the Executive Director of the OEDB as members.

(b) The National Seamen Board shall be composed of the Secretary of Labor as Chairman, the Undersecretary of Labor as Vice-Chairman, the Commandant of the Philippine Coast Guard, and a representative each of the Department of Foreign Affairs, the Department of Education and Culture, the Central Bank, the Maritime Industry Authority, the Bureau of Employment Services, a National Shipping Association and the Executive Director of the NSB as members.

The members of the Boards shall receive allowances to be determined by the Boards which shall not be more than P2,000 per month.

**Article 25. Private Sector Participation in the Recruitment and Placement of Workers**  
Pursuant to national development objectives and in order to harness and maximize the use of private sector resources and initiative in the development and implementation of a comprehensive employment program, the private employment sector shall participate in the recruitment and placement of workers, locally and overseas, under such guidelines, rules and regulations, as may be issued by the Secretary of Labor.

**Article 27. Citizenship Requirement.** Only Filipino citizens or corporations, partnerships or entities at least seventy-five percent (75%) of the authorized and voting capital stock of which is owned and controlled by Filipino Citizens shall be permitted to participate in the recruitment and placement of workers, locally or overseas.

**Article 30. Registration Fees.** The Secretary of Labor shall promulgate a schedule of fees for the registration of all applicants for license or authority.

**Article 31. Bonds.** All applicants for license or authority shall post such cash and surety bonds as determined by the Secretary of Labor to guarantee compliance with prescribed recruitment procedures, rules and regulations, and terms and conditions of employment as appropriate.

**Article 32. Fees to be Paid by Workers.** Any person applying with a private fee charging employment agency for employment assistance shall not be charged any fee until he has obtained employment thru his efforts or has actually commenced employment. Such fee must be always covered with approved receipt clearly showing the amount paid. The Secretary of Labor shall promulgate a schedule of allowable fees.

## Article 38. Illegal Recruitment

(a) Any recruitment activities to be undertaken by non-licenses or non-holders of authority shall be deemed illegal and punishable under Art. 39 of this Code.

(b) The Secretary of Labor or his duly authorized representative shall have the power to recommend the arrest and detention of such non-licensee or non-holder of authority if after proper investigation it is determined that his activities constitute a danger to national security and public order or will lead to further exploitation of job seekers.

#### Article 41. Prohibition and Penal Sanctions

After the issuance of employment permit, the alien shall not transfer to another job or change his employer without prior approval of the Secretary of Labor.

Any non-resident alien who shall take up employment in violation of the provision of this Title and its implementing rules and regulations shall be punished in accordance with the provision of Article 289 and 290 of the Labor Code.

In addition, the alien worker shall be subject to deportation after service of his sentence.

**Section 2.** All laws, decrees, general orders and letters of instructions inconsistent with or contrary to the Decree are hereby repealed or amended accordingly.

**Section 3.** This Decree shall take effect immediately.

Done in the City of Manila this 9th day of June in the year of Our Lord, Nineteen Hundred and seventy-eight.

(Sgd.) **FERDINAND E. MARCOS**  
President of the Philippines

By the President:

(Sgd.) **JACOBO C. CLAVE**  
Presidential Executive Assistant