



Philippine
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Administration

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MEMORANDUM CIRCULAR NO. 09
Series of 2015


TO : ALL LICENSED LANDBASED AND SEABASED AGENCIES

SUBJECT: **Certificate of Compliance on General Labor Standards/
Certificate of Compliance on Occupational Safety and
Health Standards**

All licensed landbased and seabased agencies shall be covered by the Labor Laws Compliance System as provided under DOLE Department Order No. 131, Series of 2013, otherwise known as Rules on Labor Laws Compliance System (LLCS).

Thus, starting July 2015, all licensed agencies that are upgrading or renewing their licenses are directed to submit their Certificate of Compliance on General Labor Standards and Certificate of Compliance on Occupational Safety and Health Standards issued by the DOLE as part of the licensing requirements.

For strict compliance.


HANS LEO J. CACDAC
Administrator

15 June 2015

CONTROLLED AND DISSEMINATED
BY CRD ON JUN 19 2015

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Intramuros, Manila

DEPARTMENT OF LABOR AND EMPLOYMENT Administrative Services Center - Ground Floor - GSD	
DATE:	29 JUL 2013
TIME:	10:06
RECEIVED BY:	Jan

DEPARTMENT ORDER NO. 131-13
Series of 2013

RULES ON LABOR LAWS COMPLIANCE SYSTEM

Pursuant to the authority of the Secretary of Labor and Employment to promulgate the necessary rules and regulations under Article 5 and the visitorial and enforcement power under Article 128 of the Labor Code of the Philippines, as amended, and the goal of fostering a culture of voluntary compliance with labor laws among establishments through effective dissemination of DOLE Programs and Services aimed at improving work conditions, employer-employee relations, productivity, and providing incentives for compliant establishments, the following Rules is hereby issued:

RULE I
TITLE AND CONSTRUCTION

Section 1. Title of the Rules. - This Rules shall be known as the "Rules on Labor Laws Compliance System," collectively referred herein as "Rules".

Section 2. Objectives. - The visitorial and enforcement power of the Secretary of Labor and Employment remains as the primary framework in ensuring compliance with labor laws. The promotion of voluntary compliance through the use of developmental approach is a supplement to: (a) inculcate a culture of compliance with labor laws; (b) ensure fair, expeditious, and non-litigious settlement of disputes; (c) encourage the use of settlement in all labor cases; and (d) strengthen tripartism among the employees, employers and the government.

Section 3. Coverage and Applicability. - This Rules shall govern all matters arising from the visitorial and enforcement power of the Secretary of Labor and Employment under Article 128 of the Labor Code of the Philippines, as amended.

Section 4. Construction. - This Rules shall be liberally construed to assist the parties towards voluntary compliance with labor laws and social legislations and to attain a just, inexpensive and expeditious settlement and resolution of labor cases.

Section 5. Suppletory Application of the Revised Rules of Court. - In the absence of any applicable provisions in this Rules, and in order to achieve the objectives of the Labor Code of the Philippines, as amended, the pertinent provisions of the Revised Rules of Court may, whenever practicable, be applied suppletorily.

RULE II DEFINITION OF TERMS

Section 1. Definition of Terms. – As used herein, the following shall mean:

- a. **“Authority to Assess”** refers to the written authority issued by the Secretary of Labor and Employment or his/her duly authorized representative to the Labor Laws Compliance Officers to conduct assessment, visit or investigation of establishment to determine its compliance with labor laws and social legislations.
- b. **“Bureau of Working Conditions”** refers to the program manager of the Labor Laws Compliance System.
- c. **“Certificate of Compliance”** refers to a certificate issued by the Regional Director to a labor laws compliant establishment which shall be valid for a period of two (2) years.
- d. **“Child Labor”** refers to any work or economic activity performed by a child (any person under eighteen years of age) that subjects him/her to any form of exploitation or is harmful to his/her health and safety or physical, mental or psychosocial development.
- e. **“Compliance Visit or Visit”** refers to the act of validating compliance with labor laws and social legislations by the Department of Labor and Employment through the Labor Laws Compliance Officer based on a complaint.
- f. **“Dangerous Occurrences”** refers to any of the following:
 - 1. Explosion of boilers used for heating or power;
 - 2. Explosion of a receiver or storage container, with pressure greater than atmospheric, of any gas or gases (including air or any liquid resulting from the compression of such gases or liquid);
 - 3. Bursting of revolving wheel, grinder stone or grinding wheel operated by mechanical power;
 - 4. Collapse of crane, derrick, winch, hoist or other appliances used in raising or lowering persons or goods or any part thereof, the over-turning of a crane except the breakage or chain or rope sling;
 - 5. Explosion or fire causing damage to the structure of any room or place in which persons are employed or to any machine contained therein resulting in the complete suspension of ordinary work in such room or place, or stoppage or machinery or plant for not less than 24 hours;
 - 6. Electrical short circuit or failure of electrical machinery, plant or apparatus, attended by explosion or fire causing structural

- damage thereto and involving its stoppage and misuse for not less than 24 hours; or
7. Other analogous occurrences.

- g. **"Disabling Injury"** refers to a work injury which results to death, permanent total disability, permanent partial disability or temporary total disability.
- h. **"Double Indemnity"** refers to the penalty imposed on the employer for violation of the prescribed increases and adjustments in the wage rates in an amount equivalent to double the unpaid benefits owing to the employee/s as provided under Republic Act No. 8188.
- i. **"Employee"** refers to any person in the employ of an employer. The term shall not be limited to the employees of a particular employer unless the Labor Code of the Philippines, as amended, so explicitly states. It shall include any individual whose work has ceased as a result of or in connection with any current labor dispute or because of any unfair labor practice if he has not obtained any other substantially equivalent and regular employment.
- j. **"Employer"** refers to any person acting directly or indirectly in the interest of an employer in relation to an employee and shall include the government performing proprietary functions and all its branches, subdivisions, and instrumentalities, all government-owned or controlled corporations and institutions, as well as non-profit private institutions or organizations.
- k. **"Establishment"** refers to any private entity, whether operating for profit or not, employing individuals where work or any of its incidents are being undertaken, including its branches.
- l. **"Hazardous Establishment"** refers to an establishment in which the nature of work exposes the employees to:
 1. Dangerous environmental elements, contaminants or work conditions including ionizing radiation, chemicals, fire, flammable substances, noxious components and the like;
 2. Construction work, logging, fire fighting, mining, quarrying, blasting, stevedoring, dock work, deep sea fishing and mechanized farming;
 3. Manufacture or handling of explosives and other pyrotechnic products;
 4. Use or exposure to power driven or explosives powder actuated tools;
 5. Biologic agents such as bacteria, fungi, viruses, protozoas, nematodes, and other parasites; or
 6. Other analogous circumstances as maybe determined by the Secretary of Labor and Employment.
- m. **"Imminent Danger"** refers to a condition or practice in any workplace that can be reasonably expected to cause death or serious physical harm.

- n. **"Joint Assessment or Assessment"** refers to the process of evaluating compliance with labor laws and social legislations jointly undertaken by the Labor Laws Compliance Officer and the representatives of the employers and the employees using the prescribed assessment checklist.
- o. **"Labor Laws Compliance Officer (LLCO)"** refers to DOLE personnel authorized to conduct Joint Assessment, Compliance Visit, Occupational Safety and Health Standards Investigation, compliance advocacies and advisory services, hold conciliation and mandatory conferences, and perform such other related functions which may be necessary in the enforcement of the Labor Code of the Philippines, as amended, and other related laws.
- p. **"Labor Laws Compliance System (LLCS)"** refers to the integrated framework of voluntary compliance and enforcement of labor laws and social legislations issued pursuant to the rule-making and visitorial and enforcement power of the Secretary of Labor and Employment. It ensures compliance through Joint Assessment, Compliance Visit, and Occupational Safety and Health Standards Investigation.
- q. **"Labor Standards"** refer to the minimum requirements prescribed by existing laws, rules and regulations, and other issuances relating to labor and occupational safety and health standards.
- r. **"Notice of Results"** refers to the accomplished form issued by the Labor Laws Compliance Officer indicating the results of Joint Assessment, Compliance Visit, Occupational Safety and Health Standards Investigation.
- s. **"Occupational Safety and Health Standards Investigation or Investigation"** refers to the process of determining the existence of imminent danger, dangerous occurrence, accident resulting to disabling injury or analogous circumstances within the workplace based on a report or information.
- t. **"Period of Correction"** refers to the 10-day period given to the establishment to correct the noted monetary deficiencies determined by the Labor Laws Compliance Officer. The same period shall be observed to correct occupational safety and health standards deficiencies found during the Compliance Visit or Occupational Safety and Health Standards Investigation.
- u. **"Regional Office"** refers to the Regional Offices of the Department of Labor and Employment.
- v. **"Remediation Period"** refers to the time given to the establishment to correct occupational safety and health standards deficiencies and undertake improvement of working conditions through the implementation of appropriate programs or services in the DOLE Toolbox of Programs and Services for Labor Laws Compliance. The remediation period shall not exceed three (3) months after the conduct of Joint Assessment.

- w. **"Single Entry Approach (SEnA)"** refers to the speedy, impartial, and inexpensive proceedings through conciliation-mediation where parties are given the opportunity to settle amicably the compliance deficiencies and to prevent them from ripening into full blown disputes pursuant to Department Order No. 107, Series of 2010 and Republic Act No. 10396.
- x. **"Toolbox of Programs and Services"** refers to a menu of programs and services designed to correct and remedy the identified deficiencies through education, trainings and other technical assistance to the establishment as provided in Section 3 of Rule III of this Rules.
- y. **"Tripartite Certificate of Compliance with Labor Standards (TCCLS) "** refers to the DOLE certificate issued to an establishment that has been verified by the Tripartite Certification Committee as compliant with Labor Standards, Occupational Safety and Health Standards, and Child Labor Laws, with no pending case with the DOLE involving violations of labor laws, and no case of fatal accidents, permanent total/partial disability or occupational illness within a period of one year at the time of application as required by Department Order No. 115-A, Series of 2012.
- z. **"Working Child"** refers to an employee who is eighteen (18) years of age but not below fifteen (15) years.
- aa. **"Work Stoppage Order (WSO)"** refers to the order of the Secretary of Labor and Employment or his/her authorized representative (Regional Director) to stop the work of any unit, department or entire operation of an establishment when non-compliance with the Occupational Safety and Health Standards poses imminent danger to the health and safety of the employees in the workplace.

RULE III GENERAL PROVISIONS

Section 1. Modes of Implementation. - The LLCS shall be implemented through any of the following:

1. Joint Assessment;
2. Compliance Visit; and
3. Occupational Safety and Health Standards Investigation.

Section 2. Designation of LLCO. - At the start of the LLCS implementation, the Secretary of Labor and Employment shall issue a list of LLCOs with general authority to do assessment of establishments in the regions. The general authority includes investigation of occupational safety and health standards violation committed in plain view or in his/her presence.

From the list, the concerned Regional Director shall assign specific establishments to authorized LLCOs in his/her region.

Section 3. Minimum Qualifications Standard for LLCO. – LLCOs must be:

1. Senior Labor and Employment Officer or Labor and Employment Officer III;
2. Certified passer of Level 1A or Level 1B Basic Course for Labor Law Compliance Officers by the Human Resource Development Service;
3. With very satisfactory performance rating; and
4. With certificate of good standing from the Bureau of Working Conditions.

Section 4. Toolbox of Programs and Services. – The following programs and services shall be the main component of the Toolbox of Programs and Services to be offered by the LLCO to the establishment subject of any of the three (3) modes provided in Section 1 hereof:

1. Kapatiran;
2. Labor and Employment Education Service;
3. Basic Occupational Safety and Health;
4. Family Welfare Program;
5. Labor-Management Cooperation;
6. Productivity Improvement Programs; and
7. Other Programs as maybe formulated to ensure compliance with labor laws.

Section 5. Feedback Mechanisms. – The Regional Office shall utilize the existing tripartite mechanisms to ascertain the impact of the LLCS to the local economy, compliance with labor laws and the possible enhancement of the system.

Section 6. Employment Records. – All employment records shall be kept and maintained in and about the premises of all establishments/workplaces for a period of at least three (3) years.

**RULE IV
JOINT ASSESSMENT**

Section 1. Coverage. – Joint Assessment or Assessment shall cover all private establishments, including their branches and workplaces. Those with valid Tripartite Certificate of Compliance with Labor Standards (TCCLS) shall not be covered by the Assessment.

Section 2. Priority Establishments and Workplaces. – In the conduct of Assessment, the priority establishments and workplaces are as follows:

1. Engaged in hazardous work;
2. Employing child employees;
3. Engaged in contracting and subcontracting arrangements;

4. Philippine registered ships or vessels engaged in domestic shipping;
and
5. Employing 10 or more employees.

Section 3. When. – Covered establishments shall be assessed at least once a year *motu proprio* on the part of the Regional Office or upon request/application by the establishment.

Section 4. Procedure. – The conduct of Assessment shall be governed by the following:

- A. **Assignment of Establishments.** – The Regional Director shall assign to the LLCO the establishments subject of Assessment and correspondingly issue a Letter and an Authority to Assess.
- B. **Letter and Authority to Assess.** – The LLCO shall proceed to the establishment carrying the Letter which specifies the purpose of the assessment, and the Authority to Assess issued by the Regional Director.
- C. **Examination of Employment Records.** – In the presence of the representatives of the employers and employees, the LLCO shall review the employment records, interview the employees, and inspect the work premises to determine compliance with labor laws and social legislations. The representatives of the employees and employer may provide additional information or data for the LLCO to consider.

For purposes of representation in the conduct of Assessment, the following persons shall be deemed the authorized representative of the employees:

1. For organized establishments – any designated officer of the local union or any of its duly authorized representative designated as such in the collective bargaining agreement.
2. For unorganized establishments – the employees' representative shall come from:
 - a. LMC;
 - b. In the absence of LMC on the day of assessment, the safety and health committee;
 - c. In the absence of the safety and health committee on the day of assessment, the family welfare committee; or

- d. In the absence of all of the above, any rank-and-file employee designated by the majority of the employees present at the time of assessment.

D. Issuance of Notice of Results and Certificate(s) of Compliance. – Should the establishment be found compliant, the LLCO shall issue the accomplished assessment checklist and the Notice of Results indicating compliance with labor laws. The LLCO shall recommend to the Regional Director the issuance of Certificate(s) of Compliance. Based on the documents of compliance submitted, the Regional Director shall then validate the findings of the LLCO and issue Certificate(s) of Compliance.

E. Non-compliant establishment. – In case of non-compliance, the LLCO shall provide the establishment with the accomplished assessment checklist which indicates the noted deficiency. In correcting the said deficiency, the following shall be observed:

- E.1. If the noted deficiency involves monetary and/or social welfare benefits, the establishment shall institute corrective measures within ten (10) days from receipt of the assessment checklist. Otherwise, a Notice of Results indicating the noted deficiency shall be issued by the LLCO.

The LLCO shall recommend to the Regional Director the issuance of Certificate(s) of Compliance upon institution by the establishment of the required corrective measures. Based on the documents of compliance submitted, the Regional Director shall validate the findings of the LLCO and issue Certificate(s) of Compliance.

- E.2. If the noted deficiency involves occupational safety and health standards, the following shall be undertaken:

- E.2.1 If it poses imminent danger to the life and limb of the employees, the provision under subparagraphs B.2 and B.3 of Section 2 of Rule VI hereof shall apply;

- E.2.2 If it pertains to personal protective equipment, correction thereof shall immediately be effected;

- E.2.3 If it pertains to deficiencies other than the above, the employer and the employees shall immediately formulate an Action Plan with the assistance of the LLCO but in no case shall it exceed ten (10) days from receipt of the assessment checklist. Within ten (10) days from the formulation of Action Plan, the

employer shall submit a status report on its compliance to the Regional Office. The Action Plan shall be implemented within the remediation period which shall not exceed three (3) months.

After the full implementation of the Action Plan within the remediation period, the LLCO shall validate the compliance of the establishment. If the establishment be found compliant, the LLCO shall recommend to the Regional Director the issuance of Certificate(s) of Compliance. Based on documents of compliance submitted, the Regional Director shall then validate the findings of the LLCO and issue Certificate(s) of Compliance.

However, the LLCO shall issue a Notice of Results and shall recommend to the Regional Director the immediate issuance of a Compliance Order should the employer fails to:

1. Formulate an Action Plan,
2. Submit the status report, or
3. Fully implement the Action Plan within the remediation period.

F. Refuse access to records and premises by the establishment. – If the employer refuses to provide access to records and premises at the first visit, the LLCO shall issue a Notice of Assessment containing the schedule of the next visit through registered mail or other recognized modes of service.

In case the employer continuously refuse to provide access to records and premises despite receipt of the Notice of Assessment, such refusal shall be indicated in the Notice of Results which shall be issued by the LLCO and shall constitute as violation of Article 128 in relation to Article 288 of the Labor Code of the Philippines, as amended. Appropriate criminal action shall be undertaken by the Regional Director against the employer.

In case the establishment allowed the conduct of Assessment after receipt of the Notice of Assessment, the procedures under paragraphs C, D and E of this Section shall apply as the case maybe.

RULE V COMPLIANCE VISIT

Section 1. Coverage. – Compliance Visit or Visit shall cover the following instances:

1. Upon receipt of SEnA referral (Section 7, Department Order No. 107, Series of 2010); or
2. When a complaint is filed against an establishment.

Section 2. Procedure. – The conduct of the Visit shall be governed by the following:

- A. Receipt of Referral/Complaint.** – The Regional Director shall direct the LLCO to immediately conduct the Visit. Assignment of establishment shall be done through raffle.
- B. Letter and Authority to Assess.** – The LLCO shall proceed to the establishment carrying the Letter which specifies the purpose of the Visit, and the Authority to Assess issued by the Regional Director.
- C. Examination of Employment Records.** – The LLCO shall review the employment records, interview the employees, and inspect the work premises to determine compliance with labor laws and social legislations.
- D. Issuance of Notice of Results and Certificate of Compliance.** – If the establishment is found compliant, the LLCO shall issue a Notice of Results indicating therein compliance with labor laws. The LLCO shall recommend to the Regional Director the issuance of Certificate(s) of Compliance. Based on the documents of compliance submitted, the Regional Director shall then validate the findings of the LLCO and issue the said Certificate(s).
- E. Non-Compliant Establishment.** – In case of non-compliance, the LLCO shall issue a Notice of Results together with the accomplished assessment checklist indicating therein the noted deficiencies.
 - E.1. Period of Correction.** – The establishment shall be given a period of ten (10) days from receipt of the Notice of Results within which to correct the noted deficiencies whether monetary or occupational safety and health standards. Within the period, it shall submit its proof of compliance to the Regional Director for the latter's verification and approval.
 - E.2. Issuance of Certificates of Compliance.** – If the establishment has corrected the noted deficiencies, the LLCO shall validate and recommend to the Regional Director the issuance of Certificate(s) of Compliance. Based on the documents of compliance submitted, the Regional Director shall validate the findings of the LLCO and issue the said Certificate(s).
- F. Refuse access to records and premises by the establishment.** – If the employer refused to provide access to records and premises at the first visit,

the LLCO shall issue a Notice of Assessment containing the schedule of the next visit through registered mail or through other recognized modes of service.

In case the employer continuously refuse to provide access to records and premises despite receipt of the Notice of Assessment, such refusal shall be indicated in the Notice of Results which shall be issued by the LLCO and shall constitute as violation of Article 128 in relation to Article 288 of the Labor Code of the Philippines, as amended. Appropriate criminal action shall be undertaken against the employer.

In case the establishment allowed the conduct of Compliance Visit after receipt of the Notice of Assessment, the procedures under paragraphs C, D and E of this Rule shall apply as the case maybe.

RULE VI OCCUPATIONAL SAFETY AND HEALTH STANDARDS INVESTIGATION

Section 1. Coverage. – Occupational Safety and Health Standards Investigation or Investigation shall cover the following instances:

1. Existence of Imminent Danger;
2. Dangerous Occurrences;
3. Accident resulting to Disabling Injury; and
4. Occupational Safety and Health Standards violations committed in plain view or in the presence of the LLCO.

Section 2. Procedure in Imminent Danger Situations/Dangerous Occurrences. – The following procedures shall be observed:

- A. Within twenty-four (24) hours from receipt of the information of existence of imminent danger/dangerous occurrence, the Regional Director shall direct the LLCO to conduct an Investigation.
- B. If the LLCO is allowed entry to the establishment:
 - B.1 He/she shall conduct Investigation and determine compliance with labor laws.
 - B.2 Upon determination of existence of imminent danger/dangerous occurrence, the LLCO shall recommend to the establishment the necessary corrective action to immediately abate the imminent danger/dangerous occurrence. If abated, the LLCO shall submit a report to the Regional Director.
 - B.3 If not abated, the LLCO shall issue a Notice of Results to the establishment and submit a report to the Regional Director

on the existence of imminent danger/dangerous occurrence and/or other labor standards violations and recommend a Work Stoppage Order (WSO) within twenty four (24) hours.

The Regional Director, upon receipt of the recommendation, shall immediately validate and issue a WSO, copy furnished the Secretary of Labor and Employment. The LLCO shall serve the WSO within twenty four (24) hours from receipt of the said Order. After the lapse of twenty four (24) hours from service, the Regional Director shall conduct a mandatory conference to determine whether the imminent danger/dangerous occurrence still exist. The mandatory conference shall not exceed seventy two (72) hours.

During the mandatory conference, the establishment shall be allowed to submit proof that the imminent danger/dangerous occurrence no longer exists. In such case, the Regional Director shall direct the LLCO to verify the claim of the establishment. If upon verification the imminent danger/dangerous occurrence no longer exist, the LLCO shall recommend the lifting of the WSO and based on the documents of compliance and validation report, the Regional Director shall lift the WSO.

A full report on the Investigation shall immediately be submitted to the Secretary of Labor and Employment through the Bureau of Working Conditions.

- B.4 Depending on the gravity of the incident and the required technical assistance, the LLCO may recommend to the Regional Director the creation of a composite team comprised of representatives from the Bureau of Working Conditions (BWC), Occupational Safety and Health Center (OSHC) and the Employees Compensation Commission (ECC) to render the necessary assistance.
- B.5 If there are noted deficiencies involving labor standards, the establishment shall be given a period of ten (10) days within which to correct the said deficiencies. Should the establishment correct the deficiencies, the LLCO shall recommend to the Regional Director the issuance of Certificate(s) of Compliance. The Regional Director shall then validate the findings of the LLCO and issue the said Certificate(s). However, if the establishment failed to correct, Rule VIII shall apply.

C. If the LLCO is not allowed entry in the establishment:

- C.1. He/she shall issue a Notice of Results to the establishment and submit a report to the Regional Director with recommendation for the filing of appropriate criminal action and the issuance of WSO based on the presumption of imminent danger/dangerous occurrence.
- C.2. The procedure in B.3 of this Section shall apply.

Section 3. Procedure in Disabling Injury. – The following shall be observed:

- A. Within twenty four (24) hours from receipt of the information of existence of disabling injury, the Regional Director shall issue a WSO and shall direct the LLCO to conduct an Investigation. In this instance, the presumption of imminent danger/dangerous occurrence arises.
- B. If the LLCO is allowed entry to the establishment, the applicable provision(s) of Section 2 B hereof shall be observed.
- C. If the LLCO is not allowed entry in the establishment, he/she shall issue a Notice of Results to the establishment. The LLCO shall submit a report to the Regional Director and recommend the filing of an appropriate criminal action.

Section 4. Procedure in Occupational Safety and Health Standards violations committed in plain view or in the presence of the LLCO. – In instances where occupational safety and health standards violation is committed in plain view or in the presence of the LLCO, the procedure in Section 4 E.2 of Rule IV shall apply.

Section 5. Discovered Imminent Danger. – In case an imminent danger is discovered during the conduct of Assessment or Visit, the LLCO shall recommend to the Regional Director the issuance of a WSO.

The Regional Director shall validate and issue the appropriate Order within twenty four (24) hours from receipt of the report.

Section 6. Effect of Work Stoppage. – In case the violation is attributable to the fault of the employer, the employer shall pay his/her employees all the monetary benefits to which they are entitled for the duration of the WSO.

Section 7. Reporting of Accident. – All work accidents and occupational illnesses in places of employment shall be reported by the employer/safety officer/any member of the Safety and Health Committee to the Regional Office on or before the 20th day of every month using the Occupational Safety and Health Standards prescribed form. Except in cases of work accidents resulting to disabling injury or death, it shall be

the primary duty of the employer/safety officer/any member of the Safety and Health Committee to report within 24 hours from occurrence thereof.

RULE VII CERTIFICATES OF COMPLIANCE

Section 1. Certificates. – After validating the findings of compliance by the LLCO in a Joint Assessment, Compliance Visit, or Occupational Safety and Health Investigation, the Regional Director shall issue the following:

1. Certificate of Compliance on General Labor Standards;
2. Certificate of Compliance on Occupational Safety and Health Standards;
3. Labor Standards Certificate of Compliance for Public Transport Utilities; or
4. Certificate of Compliance for ships/vessels engaged in domestic shipping found compliant pursuant to Department Order No. 129.

Section 2. Validity and Effects of Certification. – The certificates shall be valid for a period of two (2) years from the date of issuance. Within the 2-year period, the establishment is presumed to be compliant with labor laws and social legislations. No assessment shall be conducted within the validity of the certificate of compliance unless a complaint is filed, in which case, a Compliance Visit shall be immediately conducted.

Establishments that are able to maintain their status of good standing within four (4) consecutive years shall automatically qualify for publication as nominee to the Tripartite Certificate of Compliance with Labor Standards (TCCLS) under DOLE Department Order 115-11, Series of 2011.

RULE VIII MANDATORY CONFERENCE

Section 1. Conduct of Mandatory Conference. – Within ten (10) days from receipt of the Notice of Results in Joint Assessment or after the lapse of the period of correction in Compliance Visit, the Hearing Officer shall conduct mandatory conferences.

The Hearing Officer shall conduct continuous conferences. Postponement shall be allowed only on meritorious grounds and shall not exceed two (2) postponements.

Where the parties fail or refuse to appear during the mandatory conference despite due notice and without justifiable reason, the same shall be considered a waiver on their part to controvert the findings of the LLCO. In which case, the issuance of a Compliance Order shall be based on the evidence on record.

In no case shall the mandatory conferences exceed thirty (30) days reckoned from the date of the first conference.

Section 2. Nature of Proceedings. – The proceedings shall be summary in nature. The technicalities of law and procedure and the rules governing admissibility and sufficiency of evidence obtaining in the courts of law shall not strictly apply. The Regional Office shall avail of all reasonable means to speedily and objectively ascertain the facts of the controversy including ocular inspection and examination of well-informed persons.

Section 3. Records of Proceedings. –The Hearing Officer shall make a record of the proceedings including the position of the parties and the evidence presented. The minutes of the conferences shall be signed by the parties and attested to by the hearing officer, and shall form part of the records of the case.

RULE IX COMPLIANCE ORDER

Section 1. Compliance Order. – The Regional Director shall issue a Compliance Order within ten (10) days from the termination of the mandatory conference. The Compliance Order shall be written in a clear and concise language, stating therein the brief statement of facts, issues, applicable laws, and computation of the monetary award, if any. It shall also contain a statement on the imposition of the penalty of double indemnity and a directive to the establishment to submit proof of compliance within ten (10) days from receipt thereof.

Section 2. Imposition of Double Indemnity. – The Compliance Order shall include a provision indicating that the employer shall be liable for double indemnity for refusal or failure to pay the prescribed wage increase or adjustment. In determining the amount of the penalty, the computation shall cover the unpaid prescribed wage increase reckoned from the effectivity of the pertinent wage order.

Section 3. Modes of Service. – Notices shall be served to the parties or their duly authorized representatives at their last known address or if they are represented by counsels, to the latter.

Service of notices and orders shall be made either by personal service or by registered mail; Provided, that in cases where a party to a case or his/her counsel of record personally seeks service of the order upon inquiry, service on the said party shall be deemed effected upon actual receipt; Provided further, that in special circumstances, service of notices may be effected in accordance with the pertinent provisions of the Revised Rules of Court.

For purposes of appeal, the reckoning of the reglementary period shall be from receipt of the Compliance Order such order by the party if he/she has no representative or counsel of record.

Section 4. Proof and Completeness of Service. – The registry return card is prima facie proof of the facts indicated therein.

Personal service is complete upon actual delivery. Service by registered mail is complete upon actual receipt by the addressee, or after five (5) days from receipt of the first notice by the postmaster, whichever date is earlier.

In case of personal service, the process server shall submit his return within seventy two (72) hours from date of service indicating in the return: his name, the mode of service, the names of the authorized persons served, and the date of actual receipt of the document. If no service was effected, the process server shall state in the return card the reason thereof.

Section 5. Notice of Finality. – The Regional Director shall issue a Notice of Finality in case no appeal is perfected.

RULE X COMPROMISE AGREEMENT

Section 1. Compromise Agreement. – Should the parties arrive at an agreement as to the whole or part of the dispute, said agreement shall be reduced in writing and signed by the parties in the presence of the Regional Director or his/her duly authorized representative.

In case a Compromise Agreement is entered into by the parties without the participation of the Regional Director or his/her duly authorized representative, the parties shall be called to a conference for purposes of verifying the authenticity and due execution of the agreement.

Section 2. Compliance Order Based on Compromise Agreement. - The Compromise Agreement shall bind the parties provided that the person making the compromise did so voluntarily; with full understanding of what he/she is doing; and for a consideration which is adequate and reasonable. The Regional Director upon verification of the authenticity and due execution of the Compromise Agreement shall issue a Compliance Order.

RULE XI APPEAL

Section 1. Appeal. – The Compliance Order may be appealed to the Office of the Secretary of Labor and Employment by filing a Memorandum of Appeal, furnishing the other party with a copy of the same, within ten (10) days from receipt thereof. No further motion for extension of time shall be entertained.

A mere Notice of Appeal shall not stop the running of the period within which to file an appeal.

Section 2. Grounds of Appeal. – An appeal shall be based on any of the following:

1. Prima facie evidence of abuse of discretion on the part of the Regional Director;
2. Pure questions of law; or
3. Serious errors in the findings of facts were committed which, if not corrected, would cause grave or irreparable damage or injury to the appellant.

Section 3. Where to Appeal. – The appeal shall be filed with the Regional Office which issued the Order. The filing of Memorandum of Appeal with any other office or agency shall not toll the running of the 10-day reglementary period.

Section 4. Form and Contents. – The Memorandum of Appeal shall be filed in three (3) legible copies containing: (a) the full name of the parties to the case; (b) the date of receipt of the Compliance Order appealed from; (c) concise statement of the matters involved, the issues raised, the specification of errors of fact or law, or both, allegedly committed by the Regional Office, and the reasons or arguments relied upon for the allowance of the appeal; (d) proof of service upon the other party; and (e) clear legible duplicate originals or true copies of the Compliance Order, certified correct by the records officer of the Regional Office.

Section 5. Perfection of Appeal; effect thereof. – An appeal is deemed perfected upon filing of the Memorandum of Appeal together with the appeal bond within the 10-day reglementary period.

In case of non-perfection, the Compliance Order shall become final and executory and the Regional Director shall *motu proprio* issue a Notice of Finality.

Section 6. Appeal Bond. – The appeal bond may either be cash or surety bond in an amount equivalent to the monetary award. In case a surety bond is posted, it must be issued by a reputable bonding company duly accredited by the Supreme Court of the Philippines which shall be accompanied by original or certified true copies of the following:

1. A joint declaration under oath by the employer, his/her counsel and the bonding company, attesting that the bond posted is genuine and effective until the final disposition of the case;
2. An indemnity agreement between the appellant and the bonding company;
3. A certificate of authority from the Insurance Commission;
4. A certificate of registration from the Securities and Exchange Commission;

5. A certificate of accreditation and authority from the Supreme Court; and
6. Notarized board resolution or secretary's certificate from the bonding company showing its authorized signatories and their specimen signature.

A cash bond or a surety bond shall be valid and effective from the date of deposit or posting until the case is finally resolved or the monetary award is satisfied. This provision shall be deemed incorporated in the terms and conditions of the surety bond agreement, and shall be binding on the appellant and the bonding company.

Upon verification that the bond is irregular or not genuine, the appeal shall be deemed not perfected and shall be dismissed *motu proprio* and the assailed Compliance Order shall become final and executory.

Section 7. Motion to Reduce Bond. – A motion to reduce bond shall not be entertained and shall not toll the reglementary period to file an appeal.

Section 8. Filing of Reply or Opposition. – The appellee may file with the Regional Office his/her reply or opposition to the appeal within ten (10) days from receipt thereof. Failure on the part of the appellee to file his/her reply or opposition within the said period shall be construed as a waiver on his/her part to file the same.

Section 9. Transmittal of Records. – Three (3) days after the lapse of the period to file a reply or opposition to the appeal, the entire records of the case shall be transmitted by the Regional Office to the Office of the Secretary of Labor and Employment.

The records of the case shall have a corresponding index of its contents, chronologically arranged and numbered. The records shall include the following: a) complaint, affidavits, copy of the Notice of Results, computation of the award; b) notices, orders, as well as the proof of service such as return cards, minutes of the proceedings; c) memorandum of appeal and reply/answer thereto with proof of service; and d) official receipt of cash bond or in case of surety bond, the appurtenant requirements thereto.

Section 10. Clarificatory Conference. – A clarificatory conference may be called for purposes of determining/verifying factual issues essential to the resolution of the appeal.

Section 11. Finality of Resolution/Decision of the Secretary of Labor and Employment. – The Secretary shall have thirty (30) days from receipt of the entire records of the case or from termination of clarificatory conference to decide the appeal.

The Resolution/Decision of the Secretary of Labor and Employment shall become final and executory after ten (10) days from receipt thereof by the parties unless restrained by the Court of Appeals or the Supreme Court.

If a motion for reconsideration is filed, the Resolution/Decision thereof by the Secretary of Labor and Employment shall become final and executory after ten (10) days from mailing.

Section 12. Entry of Judgment and Transmittal of Records to the Regional Office of Origin. – The Entry of Judgment shall be issued upon the finality of the Resolution/Decision of the Secretary of Labor and Employment. Thereafter, the entire records of the case shall be forwarded to the Regional Office of origin for the issuance of a writ of execution.

Section 13. Effect of Filing of Petition for Certiorari. – The filing of petition for certiorari under Rule 65 of the Revised Rules of Court before the Court of Appeals shall not stay the execution of the Compliance Order or Resolution/Decision unless the aggrieved party secures a restraining order.

RULE XII EXECUTION

Section 1. Issuance of Writ of Execution. – Within ten (10) days from issuance of Notice of Finality or receipt of Entry of Judgment and the entire records of the case, the Regional Director shall issue a writ of execution, *motu proprio* or on motion by any interested party.

Section 2. Pre-execution Conference. – Within two (2) days from receipt of a motion for the issuance of a writ of execution and subject to Section 1 hereof, the Regional Director or his/her duly authorized representative shall schedule a pre-execution conference/hearing to thresh out matters relevant to execution.

Section 3. Form and Contents of a Writ of Execution. – The writ of execution must be issued in the name of the Republic of the Philippines, signed by the Regional Director, requiring the Sheriff to execute his/her Compliance Order or the Resolution/Decision of the Secretary of Labor and Employment, and must contain the dispositive portion of the Order sought to be enforced and all lawful fees to be collected from the losing party or any other person required by law to obey the same.

Section 4. Enforcement of Writ of Execution. – In enforcing the writ of execution, the Sheriff or the officer acting as such shall be guided by this Rules and by the DOLE Sheriffs' Manual on Execution of Judgment. In the absence of applicable rules, Rule 39 of the Revised Rules of Court shall be applied in a suppletory character.

The Sheriff may avail of such other means as may be necessary in the execution of the judgment, including seeking the assistance of law enforcement authorities.

Section 5. Motion to Quash Writ of Execution. – The filing of a motion to quash the writ of execution shall not suspend the execution proceedings. The motion shall be deemed not filed but shall form part of the records of the case.

Section 6. Unclaimed Amount. – The Regional Director shall hold in trust under a special fund, any amount unclaimed by the employees within a period of three (3) years from notice that the monetary award has been recovered from the employer. Such amount shall be held as a special fund of the Department of Labor and Employment to be used exclusively for the amelioration and benefit of employees as provided in Article 129 of the Labor Code of the Philippines, as amended.

**RULE XIII
MISCELLANEOUS PROVISIONS**

Section 1. Incidental Motions. – At all levels of the proceedings, motions for dismissal or any other incidental motion, such as: a) Motion for Bill of Particulars/Clarification, b) Motion for Reduction of Bond, c) Motion for Extension of Time, shall not be given due course but shall remain as part of the records.

Section 2. Manual for Implementation. – The Manual of Implementation of this Labor Laws Compliance System shall be issued ninety (90) days after the effectivity of this Department Order.

**RULE XIV
TRANSITORY AND FINAL PROVISIONS**

Section 1. Separability Clause. – If any provision of this Rules is held invalid or unconstitutional, other provisions not affected shall continue to be effective.

Section 2. Repealing Clause. – Department Order 57-04 otherwise known as 'New Labor Standards Enforcement Framework' is hereby repealed. All rules and regulations, department orders and other issuances inconsistent herewith are repealed or modified accordingly.

Section 3. Effectivity. – This Rules shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Manila, Philippines, 19 July 2013.


ROSALINDA DIMAPILIS-BALDOZ

Secretary

Dept. of Labor & Employment
Office of the Secretary



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