

AN ACT TO REGULATE THE ACTIVITIES OF PRIVATE EMPLOYMENT AGENCIES, PUNISH VIOLATIONS HEREOF, AND FOR OTHER PURPOSES

Act No. 3957, December 02, 1932

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. The short title of this Act shall be "Private Employment Agency Law".

SEC.2. The following definitions are given for the proper understanding of certain terms used in this Act:

- "Person" not only means an individual human being but also any corporation, company or association.
- "Agency" or "employment agent" means any office or person, as the case may be, who for a monetary consideration directly or indirectly procures or looks for, or offers or promises to procure or look for, employment or positions or a contract for employment or a position, or an employee, laborer or servant, for another person, or a contract for an employee, laborer or servant. This definition shall include all associations, firms or companies procuring employment, work or positions for their members or for other persons, except as hereinafter provided.
- "License" or "license certificate" is a document issued to a person by competent authority allowing such person to establish, direct or manage the business or occupation of employment agent or have an employment office or agency, or procure and look for or furnish employment, work or positions, or contracts for any employment, work or position, or employees, laborers or servants for another or others, or contracts for employees, laborers or servants for another or others.
- "Fees" means any form or description of fees, remuneration, profit or compensation promised, paid or received directly or indirectly for any service rendered, offered or promised by an employment agency or agent.
- "Applicant for employment" means any person applying for employment, work, or contract or hire of his services; and "applicant for employee" any person applying for the procurement of any employee, laborer or work-man for his service.
- "Licensee" or "licensed person" is an employment agency or agent duly authorized by competent authority to engage in the business or occupation of obtaining, procuring, looking for, or furnishing employment, work or positions, or employees, laborers or workmen for another or others.

SEC. 3. No person shall directly or indirectly establish, direct or manage, temporarily or permanently, any employment agency, nor net as agent or recruiter for any employment agency or agent in the Philippine Islands without first securing a license issued by the Director of Labor and duly approved by the Secretary of the corresponding Department.

SEC. 4. The application for the license shall be in writing and shall be filed with the Director of Labor. It shall contain the full name of the applicant; his age; whether he is single or married; his residence, giving street name

and house number; the name or names of the recruiter or agent or recruiters or agents to be employed by the agency for its outside activities; whether the applicant is the only person interested in the business to be established or whether there are other persons interested in the same, in which case the names and personal circumstances of such other persons shall also be stated; and the place, street, and number of the premises where the agency is to be established. If the applicant is a corporation or duly registered company or partnership, the application shall contain the names and addresses of the president, treasurer, and secretary hereof, or of the officers performing their duties, though under different denominations. If the applicant is a partnership or unregistered company, the application shall contain the names and addresses of all its members. The application shall be subscribed and sworn to by the applicant or applicants if they are natural persons, and in case of a corporation or registered company, by the president or chief thereof, and shall be attested by the secretary, under the seal of the corporation or company, and if it is not registered, the application shall be subscribed and sworn to by all the members.

SEC. 5. The application shall be accompanied by the necessary sum to pay the tax for the period to be covered by the license, in accordance with the schedule contained in subsections (a), (b), and (c) of section seven of this Act, which sum shall be refunded to the applicant in case his application is denied. The application shall further be accompanied by a bond subscribed by the applicant and by two or more solvent and reputable sureties or by a reputable fidelity bond company, in a penal sum of not less than three thousand nor more than ten thousand pesos, in the discretion of said Director, conditioned upon the applicant complying strictly with all the provisions of this Act and or any other acts and regulations now existing or which may hereafter be promulgated, relative to employment agencies or offices and the operation of such agencies or offices, and upon the applicant paying any penalty imposed upon him for the violation of any of the provisions of this Act or other pertinent laws and regulations, or any damages which he may be sentenced to pay by a competent court.

The Director of Labor shall furnish to any applicant, upon payment of one peso, a certified copy of any bond registered in his Bureau, and such copy shall be prima facie evidence of the bond in any court of justice.

SEC. 6. Immediately after filing the application, the applicant shall post in such public places as the Director of Labor may designate, a notice of the filing of the application and the contents thereof. Any person may make written objection to the application, stating just and reasonable grounds which, if found true, shall be sufficient cause for the refusal of the license. In case any objection is received, the Director of Labor, upon written notice to the applicant and the objector, shall designate the date, hour, and place for the hearing of the application. For the purposes of this hearing and in investigations of matters related with this Act, the Director of Labor is hereby authorized to issue subpoenas and subpoenas duces tecum, administer oaths, and take affidavits.

SEC. 7. When all requisites for the issuance of the license have been complied with, the Director of Labor shall issue such license and register the same in his office, upon payment by the applicant of the proper tax, in accordance with the following schedule:

- If the agency is to be established in the City of Manila, he shall pay a tax of one hundred pesos per annum;
- If the agency is to be established in a province, he shall pay a tax of fifty pesos per annum;
- If the agency is also to engage in the business of procuring or furnishing for foreign countries individuals other than those included in section one of Act Numbered Twenty-four hundred and eighty-six, he shall pay a tax of fifteen hundred pesos if it is to be established in the provinces, and of twenty-five hundred pesos if it is to be established in the City of Manila;
- In addition to the taxes above mentioned, the sum of twenty-five pesos shall be paid annually to the treasurer of

the City of Manila or of the province in which the agency is to be established; and

- The Director of Labor shall issue an appointment over his signature and the dry seal of his Bureau, to each licensee and each of the persons employed as his recruiters or agents, and for each such appointment the sum of one peso shall be paid.

SEC. 8. All monies collected under the provisions of this Act, in so far as they are not payable to the treasurer in the City of Manila or of the province in which the agency is established, in accordance with the provisions of subsection (d) of section seven of this Act, shall be covered into the Insular Treasury.

SEC. 9. Each license or license certificate shall take effect on the first day of the month in which it is issued, and shall expire on December thirty-first of the year in which it was issued, and an application for renewal shall be necessary if such is desired by the licensee. The license shall be valid only in the province or provinces specified therein. It shall contain the name or names of the licensees; the sitio, barrio, street, number of the house, story thereof, municipality, and province in which the establishment of the agency is authorized, the number of the license and the date on which it was issued. Such license shall not be used directly or indirectly by any person other than the one in whose favor it was issued, nor at any place other than that stated in the license, nor shall it be transferred, conveyed or assigned to another person.

The license shall be displayed at all times in a conspicuous and suitable place in the agency, and the appointments shall be exhibited at the request of any person in relation with the business of the agency or the employees thereof, of the Director of Labor or his delegates, or of any peace officer.

SEC. 10. No agency shall be established in a hotel or boarding house or building where liquors or intoxicating beverages are sold.

The licensee may establish barracks for the temporary accomodation of applicants for employment even in provinces or municipalities other than those in which his agency is established, provided such barracks are regulated by rules submitted by the licensee and approved by the Director of Labor.

SEC. 11. In order that any contract between the agent or recruiter and the applicant for employment, work or a position may be valid, it shall be written in a language or dialect known to the latter and shall be executed before any clerk of Court of First Instance or justice of the peace, who shall not charge any fee for his services or for preparing the contract. It shall be the duty of the clerk of court or justice of the peace to carefully explain to the contracting parties the scope and effects of the contract, to satisfy himself regarding the correctness of any debt or obligation set forth in such contract, including the fees of the agent or recruiter, and to sign the contract, certifying in the acknowledgment clause thereof that the provisions of this section have been complied with. Any failure to comply with this obligation shall be sufficient cause for reprimand and removal from office.

SEC. 12. It is the duty of every licensee to keep a register approved by the Director of Labor, setting forth, language, the date of the application for employment such applicant, the name and address of the applicant to whom employment is promised or offered, the sum received for fees, the employment secured for him, and whenever possible, the names and addresses of known persons acquainted with the applicant. He shall also keep of separate register, which shall also be approved by the erector of Labor, setting forth, in official language, the name and address of each applicant for employees, the date of his application, the kind of employee or laborer requested, the names of the persons sent, whether the same were employed or not, and the sum received as fees.

SEC. 13. The registers mentioned in the next preceding section shall be open during office hours for inspection or supervision by the Director of Labor or his deputies or any peace officer.

SEC. 14. Each licensee shall post his license in a conspicuous place in his office or agency, together with a table of the fees to be charged for all and each of his services. The table of fees shall be printed in the local dialect, English, and Spanish on a card measuring not less than twenty centimeters by thirty centimeters, in type not smaller than eighteen point, and shall bear the approval of the Director of Labor.

SEC. 15. The table referred to in the next preceding section shall contain a notice as follows:

- That the fees that may be collected from the applicant for employment, a position or work shall not exceed twenty per centum of his wages during the first year of his employment, to be collected only when such applicant has secured the employment, position, or work applied for and has received his wages for the first month. The fees shall be paid in monthly installments of twenty per centum of the monthly wages until such fees shall have been paid in full.
- That likewise, seventy-five per centum of the money paid by an applicant for employees, laborers or workmen will be refunded if he has not been accommodated within fifteen days after the acceptance of the application. If the employee, laborer or workman furnished by the employment agent has left the service before having served at least one month, without having been dismissed, it shall be the duty of said agent to replace such employee within fifteen days or refund to the interested party seventy-five per centum of the fees received.

SEC. 16. Any receipt issued to an applicant shall have section fifteen of this Act printed on its back.

SEC. 17. No licensee shall divide the fees charged by him with contractors, contractor's agents, employers or employer's agents to whom applicants for employment are sent or to be sent.

SEC. 18. It shall be the duty of the Director of Labor to regulate the activities of private employment agencies and inspect either personally or through his agents, deputies, or inspectors the aforesaid agencies as well as their offices, buildings, and barracks, and records, books, and other documents, certifying after each inspection in what condition he found the same.

SEC. 19. This Act shall not be applicable to persons while employed by a plantation, estate or factory owner and without being engaged independently and exclusively in the recruiting business, engage in the work for and hiring laborers for his plantation, estate or factory. Provided, That it shall be the duty of such plantation, estate or factory owner to furnish the Bureau of Labor with a list of the agents or employees designated by him for recruiting laborers for his plantation, estate or factory.

SEC. 20. It shall be unlawful for any licensee:

- To charge or accept himself or through another, for his services, any sum greater than that specified in the schedule prescribed in this Act, or to make the employee, laborer or servant pay an imaginary debt or a sum greater than that actually received as a loan or advance.
- To give, knowingly and voluntarily, any false notice, or voluntarily deceive any applicant for employment or employees with false information.
- To induce or attempt to induce a person already employed to quit his employment in order to offer him to another, through his agency.
- To attempt to influence or induce any person, corporation or company not to admit in its service any employee, laborer or workman who has not applied for employment, work, or a position through his agency.
- To assist in the admission as employee, servant or laborer of any minor without the written consent of his father, mother, guardian, or person in charge, in default of a father, mother or guardian.

- To send, direct, or take any woman to a house of ill fame or expose her to being corrupted.

SEC. 21. Any violation of the provisions of this Act shall be punished by a fine of not less than twenty-five pesos nor more than two hundred pesos, or by imprisonment for not less than one month nor more than six months, or both, in the discretion of the court: Provided, That in case of the violation of subsection (f) of the next preceding section, the penalty shall be imprisonment for not less than six months nor more than six years: Provided, further, That the court may in its discretion impose as additional penalty for any violation of this Act the cancellation of the license of the violator, who shall be permanently disqualified from obtaining any license.

SEC. 22. In case the violation of any of the provisions of this Act is committed by any company, firm or corporation, the president, director, administrator, or manager of such company, firm or corporation shall be criminally liable for such violation.

SEC. 23. None of the provisions of this Act shall be construed as amending or repealing the provisions of Act numbered Twenty-four hundred and eighty-six, as amended of Acts Numbered Twenty-five hundred and forty-one and Thirty-one hundred and forty-eight.

SEC. 24. Subject to the approval of the Department Head concerned, the Director of Labor shall prepare the regulations and blank forms necessary to carry out the purposes of this Act.

SEC. 25. This Act shall take effect on January first, nineteen hundred and thirty-three.

Approved, December 2, 1932.

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